

FBIS**DAILY REPORT
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Vol I No 140

19 July 1984

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GENERAL

A 1

FORUM ON '5 PRINCIPLES,' WORLD ISSUES HELD 18 JUL

OW190433 Beijing XINHUA Domestic Service in Chinese 1614 GMT 18 Jul 84

[Text] Beijing, 18 Jul (XINHUA) -- More than 250 well-known Chinese experts and scholars on world issues, diplomats, and other celebrities attended a forum at the Great Hall of the People this afternoon to mark the 30th anniversary of the formulation of the Five Principles of Peaceful Coexistence.

These principles were initiated by China, India, and Burma when the late Premier Zhou Enlai visited those countries in 1954.

Premier Zhao attended and addressed the forum. He said: Over the past 30 years, the Five Principles have stood up to the test of the changing international situation, shown their great vitality, and played an extremely important role in promoting new international relations. These principles accord with the aim and principles of the UN Charter. They have, in fact, been accepted by the international community as the basic guideline in handling international relations.

He stressed: China has consistently pursued a peaceful diplomatic policy. Over the past 30 years, we have faithfully abided by the Five Principles of Peaceful Coexistence. We sincerely hope to establish and develop relations with all countries of the world on the basis of the Five Principles. We also hope that all countries will strictly abide by the Five Principles in their interrelations and resolutely oppose any hegemonist actions that violate these principles. Only in this way can healthy relations be established between states, international tension be relaxed, and world peace be safeguarded.

Today's forum was co-sponsored by the Chinese People's Institute of Foreign Affairs, the Chinese Academy of Social Sciences, the Chinese People's Association for Friendship With Foreign Countries, and the Institute of International Affairs.

Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, chaired the forum. Twenty-two speakers expounded the significance and present effectiveness of the principles from different angles.

In his speech, Hu Yuzhi, vice chairman of the NPC Standing Committee, said: The Five Principles of Peaceful Coexistence are diametrically opposed to power politics and hegemonism. The Five Principles were formulated with the aim of smashing the old international order and establish a new one. We sincerely hope that all countries will join us in safeguarding these principles, in promoting human progress, in safeguarding world peace, and in striving for the establishment of a new international order.

Zhou Peiyuan, vice chairman of the CPPCC National Committee, pointed out: Chinese scientists and technologists are willing to promote all types of academic and technical exchanges with their counterparts in all countries and, in the course of safeguarding world peace, promote friendship and economic, scientific, and technological development with them in the spirit of peaceful coexistence, equality, and mutual benefit.

Qian Changzhao, vice chairman of the CPPCC National Committee and vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, said: China and India are the first two countries that initiated the Five Principles of Peaceful Coexistence. He said that developing Sino-Indian economic and trade relations, strengthening bilateral cultural and academic exchanges, and helping to supply each other's needs and learning from the other's strong points to offset one's weaknesses not only are entirely necessary, but potentially are also highly feasible. As to the border issue between the two countries, we think that it should be settled through consultations and negotiations on the basis of the Five Principles and with the spirit of mutual understanding and mutual concession.

Fei Xiaotong, vice chairman of the CPPCC National Committee and vice chairman of the China Democratic League, said: It is the universal and earnest desire of people in international academic and cultural circles to further promote peaceful coexistence, compete in the course of coexistence, and make progress in the course of peace. We earnestly hope that the Five Principles of Peaceful Coexistence can be applied and developed by people of all countries.

Li Yimang, president of the Chinese People's Association for Friendship With Foreign Countries, said: In handling its relations with other countries, China's support for the Third World's struggle for and defense of national independence is identical with her adherence to the Five Principles of Peaceful Coexistence, and such support is a requirement of the Five Principles of Peaceful Coexistence themselves.

Chai Zemin, vice president of the Chinese People's Institute of Foreign Affairs, and former ambassador to the United States, said: In order to establish long-term and steady relations between China and the United States, both sides must abide by the Five Principles of Peaceful Coexistence to the letter in actual deeds as well as in words. He said: We hope the United States will join us to strictly adhere to the Five Principles of Peaceful Coexistence, respect each other's sovereignty and territorial integrity, and handle the issues between the two countries according to the principle of equality in the real sense so that Sino-U.S. relations will develop steadily and on a long-term basis according to the wishes of the people of the two countries.

Commenting on the Five Principles of Peaceful Coexistence and Sino-Soviet relations, Liu Keming, member of the Academic Council of the Chinese Academy of Social Sciences and an expert on Soviet and East European affairs, pointed out: Although the two countries have had political consultations on several occasions and their trade and personnel contacts have increased over the last 2 years, we must also realize that the Soviet Union has still stationed massive forces along the Sino-Soviet border and in Mongolia, continued to support Vietnam's aggression of Kampuchea, and continued to occupy Afghanistan, a neighbor of China. Such circumstances seriously threaten China's security and completely contradict the Five Principles of Peaceful Coexistence. He hoped the Soviet Union would remove these three major obstacles with actual deeds.

Also speaking, or presenting written statements, at the forum were Zheng Weizhi, Cheng Siyuan, Ye Duyi, Li Tiezheng, Qian Ruisheng, Chen Zhongjing, Wang Tieya, Huan Xiang, Liu Simu, Sun Pinghua, Pu Shan, Liu Chun, Ding Shisun, Yang Gongsu, and Wang Yue.

Attending the forum were Qiao Shi, alternate member of the Secretariat of the CPC Central Committee; Huang Hua, vice chairman of the NPC Standing Committee; Li Ping, vice premier of the State Council; and Ji Fengfei and Wu Xueqian, state councillors, as well as some members of the NPC Standing Committee and the CPPCC National Committee, and leading members of departments under the CPC Central Committee and the central government, and various mass organizations.

RENMIN RIBAO Hails Anniversary

HK190142 Beijing RENMIN RIBAO in Chinese 17 Jul 84 p 6

[Article by Gao Liang: "Common Language" -- Reminiscences on the Five Principles of Peaceful Coexistence"]

[Text] It may be remembered that on the eve of my attending an international conference as a correspondent accompanying our delegation to Europe at the end of April, 1954, the "Agreement on Trade and Communications Between the Region of Xizang, China, and India" concluded between China and India was promulgated. On seeing us, Comrade Zhang Hanfu, then vice minister of foreign affairs, said excitedly: The agreement itself was important, but the Five Principles of Peaceful Coexistence set forth in its preface will receive greater international attention. He believed that we should pay great attention to the international reaction.

Not long afterward, we arrived in Europe. During the international conference, the delegates of certain states eagerly asked questions and discussed with us the meaning of the term "peaceful coexistence." Shortly after the conference, we noted in the press that after attending the Geneva conference on the Indochina problem, Premier Zhou Enlai went to the trouble of visiting India and issued a joint statement with the Indian prime minister on 28 June affirming the Five Principles of Peaceful Coexistence as those guiding the relations between the two countries. Then, on 29 June, Premier Zhou issued a joint statement with the Burmese prime minister with the same contents.

After that, people discussed the Five Principles of Peaceful Coexistence in a broader context. These principles then quickly became the common language of the people of China, India, and Burma. They also gradually became known in many other countries and received warm response, approval, and support from these countries and their people.

At the suggestion of Premier Zhou, the Five Principles of Peaceful Coexistence were affirmed at the Bandung Asian-African Conference in 1955. They were also expanded to 10 principles known as the "spirit of Bandung."

In November 1956, at the invitation of Prime Minister Nehru, Premier Zhou again visited India. I went along as a reporter and had the fortune of witnessing the vivid scene in which masses of Indian people warmly supported the Five Principles of Peaceful Coexistence. When Premier Zhou's special plane arrived in the Indian capital, there was a great multitude to welcome him. They had headed for the airport in a surge from all sides, some by car, some on foot, and some astride camels. They kept shouting the Hindi words for "Long Live the Five Principles!" and "The Indian and Chinese Peoples Are Brothers!"

A wide section of highway several kilometers long running from the Palam airport of New Delhi to the city was named "Pancasila Road" by the Indian Government. When Premier Zhou and Prime Minister Nehru passed along this road in an open motorcade, the jostling crowds on both sides waved their hands and applauded. They kept shouting the above two slogans in Hindi. Some had made songs from the words and sang with fervor. This rousing scene still remains vivid in my memory and will never be forgotten.

Thereafter, I worked as a correspondent in India. This gave me more opportunities to personally understand and experience what the Indian people felt for the Five Principles of Peaceful Coexistence cherished by them. At that time, when Indian friends met with their Chinese friends, they very naturally took to discussing the two lines, "Long Live the Five Principles" and "The Indian and Chinese Peoples Are Brothers." They always liked to closely link the Five Principles of Peaceful Coexistence with the friendly relations between the Indian and Chinese peoples. At public meetings and in classrooms, people also often talked about these two lines. When the Chinese walked on the streets of the towns and villages of India, they were often followed by crowds of Indian children, who cried out these two lines, their round, dark eyes wide open. I also met with some frank and sincere Indian mothers who named their children "Pancasila."

Later, as I worked in Africa and other areas, I found that the people of these countries had the same understanding of and feelings about the Five Principles of Peaceful Coexistence and friendly relations with China. I deeply felt that the Five Principles of Peaceful Coexistence also represented their common voice.

Tested over 30 full years of changes on the international scene, the Five Principles of Peaceful Coexistence have demonstrated their great vitality. They have far exceeded the initial scope and limits of a few countries and have developed into a universal principle guiding international relations between countries. When the Five Principles were born 30 years ago, only 20-plus countries had diplomatic relations with our country.

Now there are 129. Most of them, in their joint statements on the establishment of diplomatic relations with our country, affirmed the Five Principles of Peaceful Coexistence as the fundamental principle guiding bilateral relations.

As far as the relations between China and India are concerned, these friendly relations soured for a time. But given joint efforts, relations between the two countries have, in recent years, improved and developed. These two big, oriental countries with the largest populations in the world and with friendly exchanges between them from time immemorial will remain friendly on the basis of the Five Principles of Peaceful Coexistence. I often think that 30 years have witnessed an unknown quantity of water flowing along the Chang Jiang, the Ganges, and the Irrawaddy River into the vast sea and that the Five Principles of Peaceful Coexistence jointly advocated by China, India, and Burma, like these churning rivers, have also surged forth in the direction of the sea of the world. On the celebration of the 30th anniversary of their birth, I believe and sincerely hope that they will push forward, li after li, in an endless flow!

WU XUEQIAN MEETS UN TRAINING RESEARCH OFFICIALS

OW181245 Beijing XINHUA in English 1224 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met and had a cordial talk with Michel Doo Kingue, executive director of the United Nations Institute for Training and Research (UNITAR) here this afternoon. Present at the meeting were Pei Monong, deputy director of the Institute of International Affairs and member of the board of trustees of UNITAR. Doo Kingue arrived here on July 16 as the guest of the Ministry of Foreign Affairs. He will leave here tomorrow for a visit to Shanghai.

U.S., USSR PLAN DISARMAMENT TALKS 18 SEP

OW180756 Beijing XINHUA in English 0710 GMT 18 Jul 84

["Superpowers Likely To Hold Space Weapons Talks" -- XINHUA headline]

[Text] Washington, July 17 (XINHUA) -- The United States hopes to meet with the Soviet Union in Vienna on September 18 and present its proposals on limiting anti-satellite and space weapons, a U.S. Administration official said Tuesday.

The date was proposed by the Kremlin and accepted by the White House, said the official who asked not to be identified. "We plan to be in Vienna on September 18 with no preconditions. We will have serious ideas on how to make progress on outer space weapons," said the official, adding, "We hope they will be there." He disclosed that an internal administration study is under way on proposals for the Vienna meeting. Other sources said the U.S. is considering the proposal for a trade-off of future U.S. defensive capability in space for a reduction in Soviet nuclear missiles.

The Soviets proposed on June 29 a September meeting in Vienna to discuss a ban on anti-satellite weapons. President Reagan agreed to the meeting on the same day and proposed simultaneous resumption of talks on intermediate-range and strategic missiles. But Reagan's proposal was rejected by the Soviets.

"We think the problem of offensive nuclear arms should be addressed," the official said. "We are in the progress of addressing these issues through diplomatic channels."

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IMPACT OF U.S. ELECTION YEAR ON USSR TIES VIEWED

HK181405 Beijing XINHUA Hong Kong Service in Chinese 0920 GMT 17 Jul 84

[Commentary by XINHUA reporter Mei Zhenmin: "U.S.-Soviet Relations in a 'Year of Waiting'" -- XINHUA headline]

[Text] Beijing, 17 Jul (XINHUA) -- The U.S. presidential election will be held this November. The candidates and campaign staffs of the two parties (the Republican and Democratic Parties) are working out meticulous plans to create favorable conditions for themselves. No wonder that some Westerners say that this year is a "year of waiting," in which some international affairs and major issues seem to be frozen until the U.S. presidential election. These are exaggerated remarks. However, the development of the situation over the past half year shows that the U.S. presidential election has a certain bearing on some international affairs, and in particular, on U.S.-Soviet relations.

Some Western observers maintain that Reagan's two "political achievements" the last 3 years can be used as capital in the election: First, he has implemented a special economic policy, and as a result the U.S. economy has become the "locomotive" for the economic recovery of the Western world; and second, he has adopted a strong attitude toward the Soviet Union and carried out arms expansion. As a result, the United States has been able to change its unfavorable position in the arms race between the two superpowers. These two "political achievements" probably have enabled him to gain a leading position in his competition with Mondale, the Democratic presidential candidate.

However, some of Reagan's policies have made a bad impression on others. The Reagan administration's policy of the "three highs" (high deficits, high interest rates, and a high exchange rate) has been reproached by the Third World and other Western countries. Many people in the United States and its West European allies are opposed to Reagan's strong and bellicose attitude toward the Soviet Union, maintaining that this attitude has aggravated East-West relations and U.S.-Soviet relations. This impression is harmful to his being reelected president. It is necessary for him to pose as a "peace envoy" before the voters. Out of this consideration, the Reagan administration is reducing its arms expansion in Central America and the Middle East, is encouraging the South African authorities to enter into negotiations with neighboring countries, and is assuming a pose of "melting" the icy U.S.-Soviet relations.

For several months at the beginning of this year Reagan repeatedly called on the Soviet Union to resume the European medium-range missiles talks. But on the other, he refused to withdraw the first group of Pershing-II missiles and cruise missiles from Europe and is deploying the second group. In the more than 2 weeks before 4 July, during which Reagan conducted his first campaign tour, he launched a series of "peace offensives" toward the Soviet Union: First, he suggested that U.S. and Soviet leaders should meet "unconditionally;" second, he put forward 20 proposals on improving the "working relations" between the two countries and suggested relaxation or cancellation of sanctions; and third, he changed his original stand of opposing the Soviet Union's proposal on holding space weapons limitations talks and conditionally accepted the Soviet Union's suggestion on demilitarizing outer space.

To what extent this pose is aimed at propaganda or is meant for earnest negotiations is yet to be seen. However, many international observers hold that the Reagan administration is "gentle in appearance but firm in heart" and that Reagan's conciliatory attitude toward the Soviet Union is catering to the needs of the presidential election, and once he is elected president for a second term he will resume an uncompromising stand.

This view is not groundless. The Reagan administration has put forward a huge military budget for the 1985 fiscal year. The United States succeeded on 10 June in the experiment on using a non-nuclear anti-ballistic guided interceptor missile to hit and destroy an intercontinental guided missile, and will make further experiments in October and November. This shows that the United States has not slackened its pace of arms expansion.

Some international observers hold that although the Soviet Union has put forward some proposals on easing tension between East and West, it still does not want Reagan to be reelected, is unwilling to provide Reagan with capital for the presidential election, and therefore has adopted an extraordinarily uncompromising stand toward Reagan. The Soviet Union insists that it will not resume the talks on medium-range missiles if the United States does not withdraw from Europe the medium-range missiles it has deployed there. It also had adopted countermeasures for the first and second batches of medium-range missiles the United States deployed in Europe. It ignores Reagan's proposal for a U.S.-Soviet summit, dismissing his proposal on improving the "working relations" between the two countries as "confused and unclear." It regards as "entirely unsatisfactory" Reagan's counterproposal that the medium- and long-range nuclear weapons should be discussed alongside the discussion on restricting space weapons. It rejects his counter-proposal under the pretext that the United States has set a "precondition."

However, some signs indicate that the Soviet Union also is attempting to take advantage of Reagan's bid for reelection to force the Reagan administration to make some concessions favorable to the Soviet Union. In its 29 June statement proposing talks with the United States on preventing the militarization of space, the Soviet Government intended to pose a difficult problem for Reagan and at the same time wanted to force the Reagan administration to make concessions so that the Soviet Union could make a breakthrough in this sphere. The frequent private talks between the U.S. secretary of state and the Soviet ambassador to the United States and between the Soviet foreign minister and the U.S. ambassador to the Soviet Union, the agreement reached on talks over the modernization of the "hotline" between the United States and the Soviet Union, and the forthcoming U.S.-Soviet talks on improving cultural exchanges -- all this shows that it is not entirely impossible for the icy U.S.-Soviet relations to thaw to a certain degree in the latter half of this year. However, this relaxation will be rather limited because the two parties have not changed their stand of contending for nuclear superiority and world domination.

RENMIN RIBAO ON MONDALE CHOICE OF FERRARO

HK170709 Beijing RENMIN RIBAO in Chinese 14 Jul 84 p 7

[*"News Analysis"* by RENMIN RIBAO reporter Zhang Liang: "Why Mondale Has Chosen a Woman as His Running Mate"]

[Text] Mondale, who is campaigning for nominee of the Democratic Party, formally announced in Minnesota that he has chosen Congresswoman Ferraro as his running mate. This is the first time in the history of the United States that a woman has become a candidate for the vice presidency, and it has produced a strong response in public opinion here.

Mrs Ferraro is 48 years of age, born into a family of Italian immigrants. In 1978 she was elected to Congress and is now a member of the joint study committee on budget control under the House of Representatives. Mrs Ferraro is an "active" and "influential" congresswoman. She is known as a "resolute" politician, who has won the admiration of O'Neill, speaker of the House of Representatives, and many other Democratic congressmen. Mrs Ferraro also takes an active part in Democratic Party activities. Not long ago, as chairperson of the Platform Committee of the 1984 Democratic National Convention, she successfully mediated between Mondale, Hart, and Jackson, seeking negotiation, and drew up the Democratic program for the presidential campaign which has been accepted by the three sides.

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Mrs Ferraro belongs to the "liberals" within the Democratic Party. On many important issues at home and abroad, her stands are fundamentally similar to those of Mondale.

Mondale's decision was made after long consideration, weighing the pros and cons, and through consultation with various sides. After the result of the last round of Democratic Primary was announced on 6 June, when Mondale got enough votes for presidential nominee, he began to consider and look for a candidate for the vice presidency. He made an appointment to interview Mrs Ferraro, which immediately aroused people's attention. Later, the voices demanding the nomination of a woman as candidate for the vice presidency rose higher and higher inside the Democratic Party, and the conference of the National Organization of Women strongly demanded that Mondale select a woman candidate for the vice presidency.

Mondale holds that this decision of his is "an exciting choice," and a historic "beginning." However, the chief reason for Mondale's choice lies in the fact that women have a more and more important place in political life in the United States. Mondale is trying to improve his status in the run for the presidency by relying on this political power. According to statistics, among U.S. voters, women account for 52.3 percent and number 8 million more than men. It is estimated that in the presidential election this year, women voters will be greater in number than men. A poll has also indicated that the majority of women support the Democratic Party in the election and oppose a second term of office for President Reagan. Public opinion here holds that this is because the majority of women are dissatisfied with the Reagan administration on its policy of axing expenditure on social welfare by a large margin and its plan for arms expansion on a large scale. Also, President Reagan's stand of opposing the ratification of the "Equal Rights Amendment" has also offended many women.

Mondale's announcement has caused different reactions inside the United States. Hart, another Democrat running for the presidency, holds that the nomination of Mrs Ferraro is "a better choice." Jackson also says that "this is a big stride toward the correct orientation." The chairman of the Democratic National Committee optimistically estimates that voters in this election will increase greatly in number, which is favorable to the Democratic candidates. However, there are also people who hold that Mrs Ferraro lacks experience in foreign affairs and government work. If she fails to give play to her outstanding talent in campaign activities in the next few months, Mondale will possibly have an encumbrance. The majority view is that Mondale's choice of Mrs Ferraro as his running mate will at least ease the "challenges" and criticisms which Hart and Jackson are likely to make at the Democratic National Convention, and will reinforce the internal unity of the Democratic Party to deal with Reagan in the electoral campaign in unity.

XINHUA on Mondale Candidacy

OW171317 Beijing XINHUA in English 1236 GMT 17 Jul 84

[By Li Yanning]

[Text] San Francisco, July 16 (XINHUA) -- The 1984 national convention of the Democratic Party opened here today. It is almost certain to nominate Walter Mondale for presidential candidate and Geraldine Ferraro for the first woman vice-presidential candidate in American history.

At the first day of the four-day convention, the three contenders for the Democratic presidential nomination presented a show of unity. Mondale, Gary Hart and Jesse Jackson appeared relaxed from a long meeting in a downtown hotel, during which they listened to an appeal for unity by the convention's inaugural speaker Mario Cuomo, governor of New York State.

Mondale told reporters that their meeting was "not to negotiate" but to discuss the prospects of defeating President Ronald Reagan in the November election.

However, Mondale is running against heavy odds in the campaign. Within the party, after an unusually long and sometimes bitter rival with other runners, especially with Senator Gary Hart, Mondale has to show to the voters at the convention that party unity has been regained. To beat President Reagan in the November elections, Mondale needs the vote of Gary Hart's supporters, notably many independent voters, and the large numbers of black voters, whom Jesse Jackson had won in the primaries. As high as 70 per cent of the black vote in most of the major industrial states is for Jackson. Whether and how Mondale can mend the fence at the convention with Hart and Jackson remains to be seen.

More difficult for Mondale, how is he going to convince the American voters that he and the Democratic Party really could offer better alternatives to President Reagan's policies and answers to the country's existing problems.

Once he is nominated by the convention, to defeat an incumbent president in a year of economic recovery is a Herculean task. President Reagan is indeed fortunate to defend his presidency in 1984, not in 1982 when the economic recession was in full swing and the unemployment rate reached the peak of 10.7 percent.

"We are all aware that the interest rates are high, arms control talks are not taking place, the deficit is growing and unemployment is still too high. But the Democrats must state their specific alternatives to the Reagan policies and not just point out that these problems exist," a U.S. political commentator wrote recently. "The American voter is not looking for a unified Democratic Party. The American voter is looking for a party with ideas. The American voter wants to know how his or her life will be improved by voting for a particular candidate. So far, during the primary season at least, the Democrats have not articulated their ideas very well," he added.

CAI ZEMIN COMMENTS ON U.S.-PRC RELATIONS

HK181444 Beijing ZHONGGUO XINWEN SHE in Chinese 1352 GMT 18 Jul 84

[Report: "Cai Zemin and Another on Sino-U.S. Relations" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 18 Jul (ZHONGGUO XINWEN SHE) -- Cai Zemin, vice president of the Chinese People's Institute of Foreign Affairs and former Chinese ambassador to the United States, said that both China and the United States must strictly adhere to the five principles of peaceful coexistence in word and in deed in order to establish long-term and stable bilateral relations.

Cai Zemin made the statement when addressing a forum held this afternoon to mark the 30th anniversary of the introduction of the Five Principles of Peaceful Coexistence.

Cai Zemin said: Generally speaking, Sino-U.S. relations have developed considerably in the past 5 years since the establishment of the diplomatic ties between the two countries.

The friendly contacts between the Chinese and American peoples have increased remarkably, mutual understanding has been further enhanced, and exchange and cooperation between the two countries in the fields of politics, economy, culture, science, and technology have been expanded. The exchange of visits by Chinese and U.S. leaders this year also led to new development in the relations between the two countries. However, it should be admitted that there are still difficulties and obstacles in the path to the further development of the relations between the two countries since the Taiwan issue remains unresolved.

He also stressed that the basic norms of international exchanges, such as mutual respect for sovereignty, equality, and mutual benefit, should also be observed in the spheres of economic cooperation and scientific and technological exchanges, and in no way should unreasonable demands of various descriptions be put forward and discriminative and harsh terms be stipulated.

In his speech, Ye Duyi, member of the Standing Committee of the CPPCC National Committee and vice chairman of the Central Committee of the China Democratic League, said: President Reagan on many occasions has talked about his friendship with Taiwan, saying that we should not forget an old friend when making a new one. However, the friendship between one person and another, the relationship between one country and another and between one government and another are two entirely different things. Using this friendship as a pretext to influence this relationship and even to interfere in the internal affairs of another country is incompatible with the norms of international relations and is not permitted by the international law.

He also said: The Chinese people have strong feelings on the Taiwan issue. It is my earnest wish that the U.S. Government will understand the strong feelings of the 1 billion Chinese people on this question. We do not ask the United States to make any positive contributions. We only want the United States to honor its commitment and not to do anything to obstruct the return of Taiwan to the motherland and the realization of the great unity of the Chinese nation.

RONG YIREN MEETS OTIS ELEVATOR COMPANY HEAD

OW171516 Beijing XINHUA in English 1501 GMT 17 Jul 84

[Text] Beijing, July 17 (XINHUA) -- Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress, met with Francois Jaulin, president of the Otis Elevator Company, U.S.A., and his party at the Great Hall of the People here this afternoon.

During the meeting, Rong extended congratulations on the signing of a contract on the joint venture signed between the Otis Elevator Company, the China International Trust and Investment Corporation and the Tianjin Lift Corporation.

Under the contract, the enterprise to be run jointly by the three sides will be an integrated complex covering scientific research, production, marketing, installation and repair service. The annual output of the joint venture is expected to quadruple the Tianjin Lift Corporation's current annual output in ten years.

REAGAN REMARKS ON STOCKHOLM MEETING CITED

OW180838 Beijing XINHUA in English 0814 GMT 18 Jul 84

[Text] Washington, July 17 (XINHUA) -- President Ronald Reagan Tuesday criticized the Soviet Union for the lack of progress toward negotiations for a declaration on the non-use of force proposed by Moscow at a disarmament conference in Stockholm earlier this year.

Describing the Soviet proposal as a symbolic gesture, Reagan said: "We are disappointed that the Soviet Union has so far failed to join the great majority of the 35 participating nations at Stockholm who have demonstrated a desire to begin such concrete negotiations."

He issued a statement to this effect on the status of the conference on confidence-and-security-building measures in Europe -- the Stockholm conference -- after a meeting with James Goodby, chief U.S. delegate to the talks.

Reagan's criticism of the Soviets on the question of the renunciation of force came as U.S. and Soviet officials initialed an agreement, negotiated in total secrecy, to upgrade the Washington-Moscow hotline.

Reaffirming his willingness to consider the Soviet proposal, Reagan said the United States will continue to push for "practical negotiations" in Stockholm on measures that could ease tension in Europe.

The West has proposed a number of steps including advance notification of military exercises and greater exchange of information.

The President said the United States and its allies "will continue to do our best to achieve progress at Stockholm," at the Vienna talks on conventional forces in Europe and at the 40-nation Geneva conference on disarmament. "We are equally ready to seek resolutions to bilateral U.S.-Soviet arms control issues on a flexible basis," Reagan said. "But there must of course be a willingness on both sides to engage in practical discussions."

SIDWELL STUDENTS RETURN FROM PRC VISIT

OW180825 Beijing XINHUA in English 0233 GMT 18 Jul 84

[Text] Washington, July 17 (XINHUA) -- U.S. Sidwell Friends School students and teachers returned here this afternoon after a three-week visit to China as guests of Chinese Premier Zhao Ziyang.

They arrived in Los Angeles yesterday on board the same plane with the Chinese athletes to participate in the Summer Olympic Games scheduled to open on July 27. They were met by their parents and relatives, and officials from the Chinese Embassy at the airport.

As Jennifer Zeidman, younger sister of John Zeidman, stepped out of the airport, her mother came forward with a bouquet and gave her a big hug, both with tears in their eyes.

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All the students and teachers were wearing Chinese costumes pinned with panda badges and other school badges presented by their new friends in China .

The students and teachers of the Sidwell Friends School in Washington started their visit to China on June 25. During their stay in China they were invited by Premier Zhao to tour Zhongnanhai, where many Chinese leaders live and work, and had a get-together with the Chinese premier. They forged friendly ties with the Beijing Normal University Middle School II. They also visited Xian, Chongqing, Nanjing, Shanghai and other places.

REAGAN RECEIVES U.S. TRADE MISSION TO PRC

OW190710 Beijing XINHUA in English 0654 GMT 19 Jul 84

[Text] Washington, July 18 (XINHUA) -- President Ronald Reagan received the U.S. presidential trade mission to China at the White House this afternoon.

He stressed that the mission to China is an expression of the high importance the U.S. Administration places on continuing and improving commercial relations between the two countries.

He said, "Commerce brings about the exchange of products and technology, and contributes to the mutual understanding that is the foundation of our expanding relationship."

"The natural potential of our economic relations must be systematically nurtured. I believe this presidential trade mission will result in positive steps toward this goal," he noted.

The U.S. presidential trade mission will leave here tomorrow to visit the People's Republic of China from July 21-27. Members of the mission include representatives of ten U.S. aerospace companies and the Chairman of the U.S. Chamber of Commerce Van P. Smith.

The U.S. trade mission is led by four co-leaders: Assistant to the President Craig Fuller, Vice-Chairman of the President's Export Council Anna Chennault, Deputy Under Secretary of Commerce Olin Wethington, and Assistant Secretary of Commerce H.P. Goldfield.

SINO-U.S. STUDENTS SUMMER CAMP OPENS IN BEIJING

OW170509 Beijing XINHUA Domestic Service in Chinese 1208 GMT 15 Jul 84

[Text] Beijing, 15 Jul (XINHUA) -- The opening ceremony of the 1984 summer camp for Chinese and American students was held today at the Chinese Juveniles' and Children's Activities Center amid strains of music accompanied by drumbeats.

At the opening ceremony, Deputy Director Zhang Yibing of the China Youth Travel Service said: Participants in this summer camp will visit places of interest in Beijing, Beidaihe, and Nei Monggol and will also carry out varied and colorful activities, such as learning penmanship, painting, horseback riding, and archery.

This summer camp is jointly sponsored by the U.S. (Yin-te-luo-gen) Educational Center and the China Youth Travel Service.

XINHUA VIEWS OLYMPIC VILLAGE ENVIRONMENT

OW181047 Beijing XINHUA in English 0910 GMT 18 Jul 84

[Text] Los Angeles, July 17 (XINHUA correspondent He Zhou) -- When Chinese woman basketball center Chen Yuefang checked in at the University of California, Los Angeles (UCLA) Olympic Village in Los Angeles, she immediately got a headache -- the bed was too small for her.

One of the tallest women players in the world, Chen stands 2.05 meters and weighs 104 kilograms. Back in China, she has a "tailored" bed, and when she is out on a competition tour, she usually enjoys an extra large bed. But the student bed in the dormitory-turned UCLA Olympic Village is just too narrow and too short. "If Chen lies down, her long feet dangle over the bed edges," said Wei Jizhong, an official of the Chinese sports delegation. "The staff said they would change the bed, though."

By late Monday, 2,018 athletes have checked in at the UCLA, USC and UCSB Olympic Villages which opened on July 14. Many interviewed by XINHUA said they liked the villages in general.

"The room is comfortable, the food is delicious and the surroundings are quiet and beautiful," said Song Xiaobo, captain of the Chinese women's basketball team which qualified for the Olympic finals by winning all but one game at the Olympic preliminaries in Havana last May.

Juan Antonio Samaranch, president of the International Olympic Committee (IOC), toured the Olympic Villages at UCLA and USC (University of Southern California) and was deeply impressed. "I've seen very, very fine sports facilities and wonderful Olympic Villages, some of the best in the Olympic history."

Los Angeles was the host city of the 1932 Olympic Games and the first one to set up an Olympic Village for athletes. It seemed to try hard to glorify that tradition. The three Olympic Villages were all set on spacious university campuses, walled by colorfully-decorated cloth screens, equipped with renovated sports facilities and supplemented with a whole set of supporting services from hairdressers to discos to even video games. "We have invited some good chefs to the village," said an official at UCLA. "I hope our food can suit the different tastes of the athletes." Athletes and team officials must wear identification badges, and several athletes were seen to jog through the UCLA village today with their "F" badges flapping around their necks on chains. At the village medical center, officials reported that they had treated six patients, but all of them were staff members. At the Seven-Eleven store in the USC village, where competitors can buy items ranging from "official" 4 dollars Olympic watches to picture postcards and imported cigarettes, manager Marc Shapiro said that the best selling item by far was the Slurpee, a carbonated concoction of semi-frozen slush. But the hilarious athletes have at least one common headache -- difficult contact with the outside world.

All entrances to the villages are heavily guarded by security personnel and police. Though people who wear Olympic identification badges are admitted, the number is limited. The accredited journalists, for instance, must apply for admission one day in advance, and even when they are in, they can not easily find athletes. Telephone calls from outside are nearly impossible. "Neither can we dial through to anybody outside," said Chinese cager Song Xiaobo. "If everything is good, that is bad."

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QIAN LIREN ENTERTAINS JAPANESE STUDY GROUP

OW161516 Beijing XINHUA in English 1503 GMT 16 Jul 84

[Text] Beijing, July 16 (XINHUA) -- Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, this evening entertained a Japanese group studying modern China.

The group, led by Osamu Takahashi, former general secretary of the headquarters of the Japanese Socialist Party in Iwate Prefecture, is here at the invitation of the Association for International Understanding of China.

ENVOY HOLDS BANQUET FOR ZHANG JINGFU IN TOKYO

OW181550 Beijing XINHUA in English 1504 GMT 18 Jul 84

[Text] Tokyo, July 18 (XINHUA) -- Chinese Ambassador to Japan Song Zhiguang hosted a banquet here this evening on the occasion of the visit to Japan of Chinese State Councillor and Minister in Charge of the State Economic Commission Zhang Jingfu. Japanese International Trade and Industry Minister Hikosaburo Okonogi attended the banquet.

Okonogi congratulated Zhang Jingfu and his party on the success of their visit. He said that Japan and China had extremely close relations which were of mutual benefit, especially from the economic point of view. Any economic development achieved on one side was bound to be reflected in the increased prosperity of the other. Okonogi noted that a further expansion of economic exchanges between the two countries would not only be of great significance to the two countries but also to Asia and the rest of the world. More than 200 guests from various Japanese circles were present at the banquet.

RONG YIREN MEETS JAPANESE FRIENDSHIP DELEGATION

OW180827 Beijing XINHUA in English 0634 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress, met and had a friendly conversation here this morning with leaders of a friendship delegation from Yamagata Prefecture of Japan led by Governor Seiichiro Itagaki.

The 147-member delegation arrived in Beijing yesterday.

ZHAO ZHIYANG DISCUSSES '5 PRINCIPLES' WITH THAIS

OW181326 Beijing XINHUA in English 1316 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Premier Zhao Ziyang said here today that the Five Principles of Peaceful Coexistence were a norm for handling international relations and that relations between China and Thailand were a testimony.

He said this in a meeting with a Thai delegation from the newspaper THAI RAT led by Kamphol Vacharaphol, publisher of the THAI RAT daily news and president of the THAI RAT Newspaper Foundation.

Zhao Ziyang said, "The Five Principles of Peaceful Coexistence have stood up to tests. Countries with different social systems can surely establish friendly relations of mutual trust, provided that they observe these principle, if countries with the same social system go against these principles, their relations will become bad and conflicts may occur between them.

"Sino-Thai relations have grown precisely on the basis of these principles. Our countries trust each other and are very friendly, and their relations will surely develop further."

Zhao also answered questions from the delegation. Asked whether the Five Principles of Peaceful Coexistence would change with the passage of time, Zhao said that the passage of time would only better show the irrefutable correctness of these principles. There were big and small countries, countries with this kind and that kind of social system, and poor and rich countries. How to make them coexist in friendship? These principles were the only answer.

On how China and Thailand should view the Indo-China issue, he said that China and Thailand had taken identical or very similar stands. They understood and consulted with each other. China appreciated Thailand's stand.

He also said that he was looking forward to meeting the Thai foreign minister, who was coming to visit China soon. Qin Chuan, director of the PEOPLE'S DAILY, was present. The delegation arrived here yesterday. Qin Chuan hosted a luncheon for the delegation today.

FOREIGN TRADE IN HONG KONG SAID RISING

OW181742 Beijing XINHUA in English 1621 GMT 18 Jul 84

[Text] Hong Kong, July 18 (XINHUA) -- Hong Kong's commodity trade volume came to 166.923 billion Hong Kong dollars in the first five months of this year, a rise of 45 percent over the same period in 1983.

According to statistics released Tuesday by the Census and Statistics Department of Hong Kong, Hong Kong's exports in the period under review was valued at 50.275 billion, up by 47 percent and 40 percent respectively over the corresponding period last year.

Transit goods totaled 30.469 billion Hong Kong dollars, an increase of 56 percent, the department said.

China is now Hong Kong's third largest market after the United States and Britain. Hong Kong's exports to China between January and May this year soared to 3.652 billion Hong Kong dollars, or 84 percent over the same period in 1983. Its exports to the U.S. were 22.179 billion Hong Kong dollars, to Britain, 3.73 billion, up 62 percent and 41 percent respectively.

In exports to Hong Kong, China has overtaken Japan to become its largest supplier. It exported 21.957 billion Hong Kong dollars worth of goods to Hong Kong between January and May, a rise of 55 percent. Big increases were registered in textiles, garments, chemical fiber fabrics, communications facilities, tape recorders and acoustic devices and cattle.

U.S. Investments Described

OW181610 Beijing XINHUA in English 1441 GMT 18 Jul 84

[Text] Hong Kong, July 18 (XINHUA) -- U.S. investment in Hong Kong has increased in the last few years, and the trend is expected to continue to grow.

Mr Paul Walters, senior commercial officer of the Foreign Commercial Service of the American Consulate General, said that more and more requests for information about investment in Hong Kong are coming from U.S. firms. Speaking at a luncheon here Tuesday, Mr Walters said that Hong Kong's open policy and relative freedom from restriction on the flow of capital and information would continue to make it attractive to foreign investors.

With China's new economic policies focused on increased international trade to finance its modernization program, Hong Kong would benefit a lot as an entrepot, Mr Walters observed. Such a rediscovered role would supplement her domestic industrial and commercial achievements.

According to Mr Walters, Hong Kong is the second largest place for U.S. investment in Asia after Japan. At present, U.S. investment in Hong Kong is estimated at four to five billion U.S. dollars. Capital outlay on manufacturing accounts for 46 percent of the total, with emphasis on high-tech products.

Trade volume between Hong Kong and the U.S. was about nine billion U.S. dollars in 1983. Its export to the U.S. came to 6.4 billion U.S. dollars, up 15 percent over the previous year. The first five months of this year witnessed a jump of 27 percent in its export volume over the same period of last year, Mr Walters noted.

Meanwhile, he said, U.S. exports to Hong Kong shot up 15 percent over the first five months of last year. Hong Kong's excellent and hard working labor force, up-to-date communications facilities, simple and effective taxation system, efficiently managed and relatively unrestricted flow of legitimate goods, common and clearly understood legal system as well as the generous extension to foreign businessmen of the privilege to reside in this community, said Mr Walters, all contributed to its investment growth.

PRC, FRENCH LAW EXPERTS MEET IN BEIJING

OW181229 Beijing XINHUA in English 1135 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Zhang Youyu, vice-chairman of the Law Committee of the National People's Congress, held talks with Raymond Forni, chairman of the Commission of Laws on the French National Assembly, here today. They exchanged experience of their respective law committee and commission and briefed each other on their tasks.

Zhang Youyu gave an account of China's Constitution, the composition of the National People's Congress and the legislative system. Raymond Forni briefed his Chinese counterpart on the status and role of the French Law Commission in the National Assembly.

Taking part in the talks were Shen Hong and Xiang Chunyi, vice-chairmen, and Xing Yimin, member of the Chinese Law Committee, as well as members of the French delegation from the law commission led by Forni, including Edmond Garcin, vice-chairman of the commission.

Peng Chong Hosts Banquet

OW181616 Beijing XINHUA in English 1604 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) — The Law Committee of the National People's Congress gave a banquet for a visiting French delegation from the Law Commission of the National Assembly in the Great Hall of the People here this evening. The delegation is led by Raymond Forni, chairman of the commission.

This is the first foreign law commission delegation the Chinese Law Committee has received since its establishment in June last year. Peng Chong, vice-chairman of the Standing Committee of China's National People's Congress and chairman of its Law Committee, hosted the banquet.

Peng said that China had done a lot to strengthen its socialist democracy and improve its socialist legal system since the end of 1978. France, with a long history of legislation, had a lot of experience for China to draw on. He expressed the belief that the delegation's visit would contribute to the cooperation between China's National People's Congress and the French National Assembly and the friendly contacts between the Chinese Law Committee and the French Law Commission.

Forni said that the visit had made possible in-depth discussions on legal issues of common concern. The discussions showed identical views on many important legal issues, despite differences. They agreed on human efforts for peace, freedom and emancipation.

Present were Zhang Youyu, Shen Hong and Xiang Chunyi, vice-chairmen of the Chinese Law Committee; Cui Naifu, minister of civil affairs; Zhao Pengfei, chairman of the Standing Committee of Beijing Municipal People's Congress; and Charles Malo, French ambassador to China. The delegation arrived here yesterday at the invitation of the Chinese Law Committee.

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FURTHER ON VISIT OF MOZAMBIQUE'S MACHEL

Meets Hu Yaobang

OW181051 Beijing XINHUA in English 1031 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang here today told Mozambique President Samora Moises Machel that "we share the same destiny and face common tasks."

He said, "Our two parties and countries trust and support each other, and we shall continue to remain friends and cooperate in the future." The meeting took place at Zhongnanhai this afternoon.

Samora, who is also chairman of the Frelimo Party of Mozambique, replied that he was satisfied with the relations between the two parties. After briefing Hu Yaobang on the situation of the Frelimo Party, Samora said that he hoped to see growing ties with the Chinese Communist Party. The two leaders also exchanged views on issues of common interest.

Present at the meeting were Chinese Minister of Metallurgical Industry Li Dongye and principal members of President Samora's party.

Attends Show

OW181658 Beijing XINHUA in English 1615 GMT 18 Jul 84

[Text] Beijing, July 19 (XINHUA) -- Marshal Samora Moises Machel, chairman of the Frelimo Party and president of the People's Republic of Mozambique, attended a performance of Chinese acrobatics here this evening in the company of Li Dongye, minister of metallurgical industry.

LI XIANNIAN HAILS ANNIVERSARY OF TIES WITH NIGER

OW181225 Beijing XINHUA in English 1147 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- President Li Xiannian and Foreign Minister Wu Xueqian, in messages today to their Niger counterparts, Seyni Kountche, president of the Supreme Military Council and head of state; and Ide Oumarou, minister of foreign affairs and cooperation; greeted the tenth anniversary of the establishment of Sino-Niger diplomatic relations.

Both messages express warm congratulations of the Chinese Government and people to the Niger Government and people. The messages note with satisfaction the remarkable progress in bilateral cooperation and friendly relations in the political and economic fields and in trade, culture and public health.

The messages express the belief that the Sino-Niger friendly relations based on the Five Principles of Peaceful Coexistence will be strengthened and developed further.

The messages stress that the Chinese Government and people value the friendly relations with Niger and wish that the friendly cooperation between the two countries will grow further.

PARTY, GOVERNMENT DELEGATION VISITS CONGO

OW181736 Beijing XINHUA in English 1440 GMT 18 Jul 84

[Text] Brazzaville, July 18 (XINHUA) -- A Chinese party and government delegation, led by Zhao Shouyi, member of the Chinese Communist Party Central Committee and minister of labor and personnel affairs, arrived in the capital of Congo on Tuesday night.

The delegation came here at the invitation of the Labor Party and Government of Congo to attend the inauguration ceremony of the Congress Palace built with Chinese aid. Later they will attend the Third Congress of the Labor Party of Congo.

PRC, GHANA SIGN TRADE PROTOCOL IN ACCRA

OW131302 Beijing XINHUA in English 1228 GMT 13 Jul 84

[Text] Beijing, July 13 (XINHUA) -- China and Ghana signed in Accra yesterday a protocol on exchange of goods for 1984-85, according to a report from that city.

Under the protocol, Ghana will export cocoa to China while China will export to Ghana commodities of an equal value with Ghana's exports to China. Ghana's Secretary for Trade Ato Ahwoi and Chinese Ambassador to Ghana Jia Huaiji signed the agreement for their respective countries.

Speaking at a signing ceremony, the secretary and the Chinese ambassador spoke warmly of Sino-Ghanaian friendship and expressed the readiness of the two countries to develop bilateral commercial and trade relations.

HOUSING CONSTRUCTION AGREEMENT SIGNED WITH EGYPT

OW190416 Beijing XINHUA Domestic Service in Chinese 0758 GMT 17 Jul 84

[Text] Cairo, 16 Jul (XINHUA) -- The China National Construction Engineering Corporation and the Government of Egypt's Alexandria Province signed a contract in Alexandria on 14 July for the construction of 6,000 housing units at a cost of 39.03 million Egyptian pounds (equal to approximately 82.82 million Rmb). The 6,000 housing units, to be built by the China National Construction Engineering Corporation, will be located at the (Guzam) Desert, 40 km from Alexandria. This is so far the largest construction project China has ever contracted to build for Egypt.

ZHAO ZIYANG URGES DEVELOPMENT OF AUTO INDUSTRY

OW181650 Beijing XINHUA in English 1627 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Premier Zhao Ziyang called on China's automotive industry to speed up development, saying this was a vital part of the country's economic and technological revolution. He made the call after reading a report on development and restructuring delivered by the China Automotive Industry Corporation (CAIC) to the State Council this month. Zhao said the government supported specialized production, and the automotive industry should manufacture large numbers of inexpensive, good-quality vehicles in order to plus the gap between production and growing market demand. However, he warned against shortsightedness in expanding the industry and an unplanned rush to build vehicle plants all over the country.

To keep step with development of the national economy, the CAIC has put forward a major development program, which has been given the go-ahead by the state council.

This includes:

- Turning out new models up to world standards.
- Doubling output by 1990, and doubling it again by 2000.
- Promoting products on the international markets.
- Keeping pace with world standards of design into the 1990's.

CAIC General Manager Li Gang told XINHUA today that completion of the above goals required his industry to expand at annual rate of 8.6 percent in the next 10 years and 9.1 percent in following years. China has now 37 vehicle plants, 196 refitting plants and more than 2,000 parts and accessories factories, with an annual production capacity of about 300,000. The industry across the country produced 240,000 vehicles last year. From 1956, the year when the first vehicle was manufactured in China, to 1983, China produced a total of more than two million -- 80 percent of the present number of vehicles on the roads. To improve quality, CAIC has imported more than 20 designs and manufacturing technology for jeeps, heavy-duty trucks, minitrucks and engines from Britain, Japan, Italy, Federal Germany and the United States in the past few years. Negotiations are still under way on other items of technology. The industry now faces great need for major development, with the ever-increasing demand for vehicles in China. The gap between supply and demand grows all the time. To deal with this, the government has decided to produce 290,000 motor vehicles this year, 50,000 more than the original target. However, production is still short of demand.

With the growth of commodity economy in rural areas, the countryside has become a major vehicle market, and this has brought a great pressure on the industry. Rural demand in 1983 increased by 33 percent from 1982. Peasants want to buy not only small trucks, but also passenger-cargo vans, large and medium-sized long-distance buses and other special trucks.

Besides the corporation, other central departments, localities and 14 coastal cities opened to the outside world as well as special economic zones are being encouraged to invest on motor vehicle projects through independent funding or cooperative production.

CHINA DAILY Article

HK181445 Beijing CHINA DAILY in English 18 Jul 84 p 1

[Text] A major development programme for the motor industry, proposed by the China Motor Industries Corporation, has been given the go-ahead by the State Council in a bid to cope with the huge demand in the country. The programme calls for doubling motor vehicle output by 1990. All vehicles should be new models up to world standards of the 80's. In the following decade, the industry should design and develop its own up-to-date models while seeking to double output again.

Premier Zhao Ziyang, commenting on the programme, said that a boom in China's motor industry is inevitable because it is important to the country's economic development. However, he warned against an unplanned rush to build motor plants all over the country.

According to yesterday's ECONOMIC DAILY, 88 motor plants are now in production nationwide. This is 15 more than before the stabilization drive started in 1980. In this new rush to build motor plants, there was a real danger of inefficiency and poor quality owing to the small scale of production, the paper added. Another unhealthy trend is that some enterprises have begun negotiations with foreign firms to assemble and sell their vehicles in China without provisions concerning domestic content ratios or technology transfers. ECONOMIC DAILY pointed out that some developing countries have suffered from this experience.

Premier Zhao was reported as saying that the proper approach is to achieve economy through specialization and producing on a larger scale. He said the State should support those plans that can mass produce high-quality, economic vehicles. Only in this way can we get maximum results with minimum input.

The imminent boom of China's motor industry has arisen because the shortage of motor transport is particularly acute today in the countryside where a soaring economy has created a new market for trucks and cars. Domestic motor plants have already raised their production targets this year from the earlier plan of 240,000 to 290,000 vehicles, but this is well short of demand. Rural buyers have no choice but to turn to the used car market. One third of the trucks operated by rural owners are obsolete models that use excessive fuel.

ECONOMIC DAILY pointed out that to implement the new motor vehicle development programme, it was necessary to reform the current system whereby motor plants were managed by and responsible to either central or local authorities. Instead, they should become independent enterprises responsible for their own profits and losses and competing with each other.

XUE MUQIAO NOTES IMPROVED LIVING STANDARDS

OW150930 Beijing XINHUA in English 0847 GMT 15 Jul 84

[Text] Beijing, July 15 (XINHUA) -- Most Chinese workers and staff have improved their living standards markedly since 1979 despite price rises, says economist Xue Muqiao in an article in the journal THEORETICAL MONTHLY to come off press later this month. "China is one of the few countries which have kept prices stable for a long time," he says.

From 1952 through 1983, the nation's retail price index rose 39.3 percent -- advancing at an annual average rate of 1.1 percent. Urban retail prices jumped by 66.3 percent during the period and rural prices by 23.3 percent.

Urban retail prices in 1983 were 17.7 percent higher than in 1978. "This is due to a 47.7 percent increase in purchase prices for farm products," Xue says.

Even so, the rate of the increase in per-worker net income still outpaced price advances during the period. This is because wages, salaries and bonuses have been raised in addition a monthly subsidy of five yuan to each worker and staff since 1979. "Per-worker wages (including bonuses) soared from 614 yuan in 1978 to 826 yuan in 1983, or a 34.5 percent increase," the economist says. The increase is about 15.3 percent after the factor of price rise is deducted. More than 20 million people were employed in China between 1979 and 1983. As a result, per-capita income of workers' families available for living expenses jumped from 316 yuan to 526 yuan -- a rise of 66.5 percent, or 43 percent if the factor of price rise is deducted. "Previously workers were eager for three items -- a watch, a bicycle and a sewing machine. But now they want three more -- a television, a washing machine and a refrigerator," Xue says.

One of new China's major policies has been the maintenance of stable prices for commodities, he points out. "But the stabilization of prices in no way means freezing prices." "As costs of production of various products vary constantly, prices must be readjusted accordingly," he says, adding that the cost of farm products usually rises along with the increase in per-hectare output, and so does the cost of mineral products. On the question of prices, the government must take into account the interests of both the consumer and the producer, otherwise, production and supply of many products will be affected adversely. In this respect, the government has for years pursued a policy of purchasing farm produce at higher prices and selling them at lower prices with the state bearing the losses. "Each year the state has to allocate 20 billion yuan to subsidize grain, edible oils, cotton, coal for domestic use and non-staple food. This is a main reason for the country's budget deficit," the economist notes. For example, the price of cotton cloth had been freezed for over 30 years while the cotton purchase price doubled during the same period. This resulted in turning the textile industry from profit-making into losing despite state subsidies and rationing in cotton cloth consumption. "The selling price of cotton cloth was raised in 1983 and that of chemical fiber fabrics cut, thus ending the 30-year rationed supply of cotton cloth," Xue says. In the meantime, prices were lowered for manufactured goods, including pharmaceuticals, radios, wrist watches, sewing machines, televisions, washing machines, refrigerators and tape recorders, as a result of the drop in production cost. "Of all consumer goods, farm products, especially non-staple food, have registered the biggest price hikes," Xue says. "This is because the cost of meat, eggs and vegetables has gone up faster than other farm produce." Even so, the diet of the workers has improved quite a lot in recent years. The government cannot freeze prices, which will result in decreased production coupled with insufficient supply of commodities. "Can we just raise purchase prices, as is the case for grain and edible oils, and not selling prices?" the economist asks. And the answer is "no." If subsidies continue, state revenues will decrease, while the deficit will get bigger, Xue explains.

Since a rural self-contained economy still predominates in China, Xue says, commodity production must be boosted and commodity circulation improved. So prices of various commodities must conform by and large to their value and be readjusted with the changes in their costs, he stresses.

"Stable prices are still a principal policy in China and it is inappropriate to readjust prices on a large scale at the moment," Xue notes. But readjustment of prices, either raising or lowering, of certain commodities will be carried out when conditions permit. In order not to affect workers' daily lives, "the readjustment of prices must be effected with the readjustment of worker's wages. In so doing, we must see to it that workers' real income will rise slightly and not decrease," he says.

FANG YI ON BOOSTING SCIENTIFIC MANAGEMENT REFORM

OW181303 Beijing XINHUA in English 1207 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- The State Council has approved a move which will promote reforms of scientific personnel management, State Councillor Fang Yi said here on Tuesday. The change put the Scientific Personnel Bureau -- until recently part of the Labor and Personnel Ministry -- under the wing of the State Science and Technology Commission. Personnel bureaus, central and local, should step in and investigate those departments which are overstaffed or where scientific workers are not doing a job in the field of their studies, Fang Yi told a national forum on the reform of scientific personnel management. He called on all staff members in scientific personnel management departments to go out of their way to find out exactly what key scientific workers need and think and what problems they face.

Fang Yi said, "The mobility of scientific personnel should serve as a breakthrough in management of scientific personnel. "We have talked about this mobility in the past two or three years, but little result has been achieved. It is time to break the system of departmental possession of staff." He pointed out that since 1978, various departments had done much to carry out the party's policy towards intellectuals and helped them solve many problems. But, there were still obstacles, because some leaders were sticking to outdated attitudes towards intellectuals. Fang said that for the new technological revolution, "we must respect intellectuals and scientific personnel who are important representatives of new productive forces."

PLANNING OFFICIAL ON CONSTRUCTION IN CENTRAL CHINA

OW181131 Shanghai City Service in Mandarin 1100 GMT 15 Jul 84

[Text] Lu Kebai, vice minister in charge of the State Planning Commission, has called for gradually shifting the emphasis of state construction to central China. He gave two reasons to support his view:

First, most of China's accessible energy sources are located in the central region. According to economic law, industrial plants should be located close to bases of raw materials and fuels. The south relies on hydroelectric power while the north relies on coal as their main energy source. Hydroelectric power sources and coal mines, that can be developed easily, are located in the central region. The investment required in building a plant in the costal region can be comparatively small, taking into consideration only the funds for building the plant alone. However, if coal is to be transported and power transmitted over along distance, the investment can become bigger. According to preliminary estimates of the Transportation Bureau under the State Planning Commission, to transport coal from the central region will require an investment of 30 billion yuan by the end of this century and to build two 500,000-volt power transmission lines from Gezhouba to Shanghai will require 2 billion yuan.

Second, all of the coastal cities have a water shortage problem. To solve the water shortage problem, Tianjin invested a total of 2 billion yuan in building the (Panjiakou) reservoir and completing the water diversion project from the Luan He.

The only way to solve the water shortage in the future is to divert the water in the south to the north.

Lu Kebai said: There are 10 provinces in central China. They all have different conditions, resources, and industrial and transportation foundations, making it impossible to simultaneously develop them. It is necessary to carry out the construction in a selective and planned manner. The most promising area in the central region is along the middle reaches of the Chang Jiang, which is indeed endowed with favorable conditions for developing various industries. It is one of China's major grain producing areas, and it has certain industrial and transportation foundations. A hydroelectric dam has been completed on the river. It is close to an energy source and raw materials, and it has improved antiflood facilities and abundant water resources provided by the Chang Jiang, a very good water navigation route.

The focus of the coastal region from now on should be to improve or equip with supplementary facilities the existing industrial plants. In general, new construction projects that require big investment should not be carried out.

COMMENTATOR URGES END TO MEETINGS IN SCENIC SPOTS

HK180542 Beijing RENMIN RIBAO in Chinese 14 Jul 84 p 1

[Commentator's article: "Check the Practice of Holding Meetings in Scenic Spots"]

[Text] The State Council has made repeated injunctions and issued several "red-lettered documents" calling for checking the practice of holding meetings and visiting scenic spots during busy tourist seasons. However, there are some departments and units which have not paid heed to these injunctions, "No matter what instructions you give, I follow my own way," and run counter to the stipulations of the central authorities.

Since the beginning of summer we have heard, on the one hand, complaints from tourists about how hard it is to find lodging and on the other hand, we have witnessed notices and circulars of various meetings located in front of the guesthouses in some famous scenic spots of the country. From Guilin, where the mountains and waters are the finest under heaven, to Suzhou and Hangzhou, called "paradise on earth" by the people, and from Huang Shan to Lu Shan, these untimely meetings have squeezed out the limited facilities which ought to service tourism. Such phenomena, which run counter to the injunctions, are quite abnormal and must be resolutely checked!

Some people are fond of holding meetings in scenic spots. As a matter of fact, they are generous at the expense of the state and are actually "traveling at public expense." Such meetings have specially arranged agendas for traveling from place to place to enjoy the beauties of nature. The accommodation and transportation fees are of course paid by the public. In addition, the participants also will be reimbursed for food costs during the meetings. These people do not have the slightest feeling of distress in spending the money of the state and in obtaining petty advantages at the expense of the people. At these meetings some people may vehemently present their views: "Our country is still not rich enough, so we must be industrious and must practice economy...." However, they have been given the green light for reimbursement of the various travel fees, including irrational expenses. This is one of the disadvantages of the old system of "everybody eating from the same big pot," which must be reformed.

In order to check the practices of holding meetings in scenic spots, it is necessary first for the various ministries and committees directly under the State Council and the leading cadres to act.

Usually, when a leading cadre circles something in a report, or writes a short note, or makes a 2-minute telephone call, a meeting of little importance will be moved to a scenic spot. In fact, it is the leaders themselves who tend to arrange for the meetings to be held in places with charming scenery and ample supplies of products. If people in senior posts can benefit from something, people in junior posts, directly under them, can benefit even more from the same thing. A leading cadre should value his "banner" and should not allow other people to feather their nests under its guise.

It is a manifestation of unhealthy party style to fail to check the practice of holding meetings in scenic spots. One of the important subjects of the current party rectification is consolidating discipline. "No matter what instructions you give, I will follow my own way" is precisely a manifestation against organization and discipline. How, then, can we allow such unhealthy tendencies to spread unchecked?

COMMENTATOR VIEWS TREATMENT OF DOMESTIC VISITORS

HK180805 Beijing RENMIN RIBAO in Chinese 15 Jul 84 p 1

[Commentator's article: "There Is No Need To 'Welcome and Send Off' Domestic Visitors"]

[Text] In the midst of reform, more and more people are going to advanced localities and units to visit and learn from them. As a result, advanced localities and units are burdened with the ceremonious routines of welcoming and sending off visitors, which becomes a problem worthy of our attention.

Through institutional reform, the members of the leading bodies in advanced localities are fewer in number, and a considerable part of them are newly promoted, some of the people holding primary responsibility are precisely the new hands on the post. They all want to concentrate their efforts on doing a good job in their work, continuing to create a new situation. What makes them uneasy at present is that apart from the problem of "being buried in piles of documents and drowned in endless meetings" which has not yet been satisfactorily solved, the new task of welcoming and sending off a large number of "domestic visitors" is added to them. In some localities and units, welcomes and send-offs take place almost every day; at times, there are several such occasions in a single day. Now, "of all those coming as guests," more often than not, it is the leading cadre of a leading organ at a higher level who is the head of the delegation, and the locality being visited will have to send its leading cadre to welcome and see them off. In particular, the comrades who have only recently come into office are not to show negligence in receiving them, lest they be regarded as "arrogant". This is a problem for many leading cadres of advanced localities and units; which they would not mention this to other people, but this idea actually exists in their minds.

How to relieve them of their problem?

Primarily, we should continue to implement the circular issued jointly by the General Office under the CPC Central Committee and the General Office of the State Council in May this year, and place visiting advanced localities under strict control. This is a permanent solution. We should say that this circular has not been implemented satisfactorily. There are always some comrades who will stick to their old ways, making trans-provincial visits without the approval of their own provinces or the agreement of the other province involved. These "unexpected guests" often place the units receiving them in a passive position.

Moreover, the ceremonies of welcoming and sending off visitors must be greatly simplified. It is necessary to attach importance to protocol in foreign affairs, but in our internal contacts, when the comrades of one locality visits another locality, there is no need to indulge in unnecessary and overelaborate formalities.

When people come to visit, it is enough for a comrade, who knows about the situation, to brief them; it is not necessary for the chief leading member to welcome and send them off or to accompany them, not to say holding a banquet for them. At present, reform is going on in all fields of work, it is also necessary to reform such practices as welcoming and sending people off.

Finally, we should like to advise the leading comrades of those localities and units where the task of receiving visitors is heavy, in particular those comrades who have just taken office, that they should further emancipate their minds, and not be afraid of being regarded as "arrogant". Whether one is arrogant or not is not determined by whether one indulges in unnecessary and overelaborate formalities, but by whether one adopts a self-critical attitude toward one's work. All of those comrades, who go to advanced localities for a visit, cherish advanced models; we must believe that the majority of people will understand the need for the simplification of the ceremonies of welcoming and sending off people. What of those individuals who will not be understanding? In that case we will have to allow them to go their own way, because we should not neglect our own work and let it suffer simply to make a good impression on others!

RENMIN RIBAO COMMENTATOR ON ROLE OF RETIRED CADRES

HK180417 Beijing RENMIN RIBAO in Chinese 15 Jul 84 p 5

[Commentator's article: "Veteran Cadres Should Do More Investigation and Study"]

[Text] At present, there are more than 830,000 veteran cadres in our country who have left their posts for retirement. The number of cadres leaving their posts for retirement will increase in the coming years. Veteran cadres are the most precious wealth of the party and the country. Among them there are abundant intellectual resources. Organizing the retired cadres who are still in fair health to do investigation and study within their capability is a good method of exploiting these intellectual resources.

It is really very good for veteran cadres to do more work in investigation and study. The first advantage is that since they are no longer hindered by work of their daily routine, they are now in a position to understand with comparative ease the realm of necessity in our modernization drive which is not yet known to us, in order to render important assistance to the new leading groups in correctly implementing the line, principles, and policies of the central authorities. The second advantage is that they are now "out of office, out of care," and they are in a position, in a comparatively objective way, to listen to and study the conditions of practical work, in order to discover and remedy negligence in the work of the leadership in a timely way. And the third advantage is that investigation and study can help the veteran cadres maintain close contacts with society, absorb fresh air and nourishment, and retain their revolutionary youth. For those veteran cadres who have exerted decades of efforts for the revolution and who regard political life as their lifeline, this is exactly the way to attain longevity.

Up until now, many veteran comrades have participated in investigation and study and have attained very good results. Comrade Jin Langbai, former vice chairman of the CPPCC of Heilongjiang Province, in a period of more than a year after his retirement, toured over 40 counties in the province and wrote more than 20 valuable investigation reports, thereby actively promoting practical work. We should learn from the revolutionary spirit of Comrade Jin Langbai in devoting his efforts to making suggestions for the modernization program.

In order to give full play to the role of investigation and study by veteran comrades, there are two points worth our attention: For the veteran comrades themselves, they should proceed from the fields with which they are more familiar, so that they can make more effective investigation and study and write more practical and workable investigation reports; as for the relevant CPC organizations and departments, they should adopt a serious and positive attitude toward the results of the investigation of the veteran comrades and actively adopt their constructive suggestions. If efforts are exerted in these two aspects, it will be possible for the veteran comrades, after the change in their working positions, to support and help the new cadres reach a new situation in their work, and this will be conducted in appropriate proportion to the health conditions of the veteran cadres on the one hand, and without interfering in the daily routine affairs of the leading bodies on the other.

LITERARY, ART FEDERATION MARKS 35TH ANNIVERSARY

OW181309 Beijing XINHUA in English 1228 GMT 18 Jul 84

[Text] Beijing, July 18 (XINHUA) -- The 35th birthday of the China Federation of Literary and Art Circles (CFLAC) was celebrated here today at a gathering in the Beijing Hotel. Offering congratulations, Peng Zhen, chairman of the Standing Committee of the National People's Congress, urged Chinese writers and artists to continue their efforts to serve the people and socialism.

CFLAC Chairman Zhou Yang, who is now in Guangzhou, sent a message saying he hoped the federation would do its best to help writers and artists bring about a bright future for China's literature and art. Present at today's party were Song Renqiong, member of the Political Bureau of the Communist Party Central Committee, Zhu Muzhi, minister of culture, and over 500 writers and artists. Founded on July 19, 1949, CFLAC is a united organization of 11 national artists' associations and various local federations. CFLAC and the 11 associations under it run 37 literary and art journals with an annual circulation of 16 million. Through international exchanges, the federation has received thousands of foreign delegations, and more and more Chinese writers and artists have been sent abroad for visits.

China's literary giants, the late Guo Moruo and Mao Dun, used to be its leaders. Yang Hansheng, vice chairman of the federation, said at the party that the federation's fifth national congress was scheduled for the next winter to review the work in the past five years and discuss the new prospects. The "home of writers and artists" run by the federation has recently been completed in Beijing and will soon open. A new office building and a club for the federation are under construction.

CHEN MUHUA, OTHERS AT PATENT OFFICE RECEPTION

OW190120 Beijing in Mandarin to Southeast Asia and South Pacific 0900 GMT 19 Jul 84

[Excerpts] The China Council for Promotion of International Trade gave a reception in Beijing on 16 July in celebration of its opening a patent agency for foreigners in China. Chairman Wang Yaoting of the council said at the reception: The State Council has designated the China Council for Promotion of International Trade to open a patent agency for foreigners.

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The China Council for Promotion of International Trade has recently set up the Patent Agency Department, and the department will start providing service for foreigners, foreign enterprises and other foreign organizations in applying for patent rights in China from 1 April 1985, when the PRC Patent Law will come into force.

He said: In making preparations for the establishment of the Patent Agency Department, the China Council for Promotion of International Trade received warm support from the World Intellectual Property Organization, the UN Development Program and the patent organizations of Federal Germany, Japan, France, the United States, Canada, Sweden, and other countries.

Attending the reception were more than 400 Chinese and foreign personages, including Chen Muhua, state councillor and minister of foreign economic relations and trade; Gu Mu, state councillor; Li Peng, vice premier of the State Council; officials of foreign embassies in China; and representatives of foreign permanent economic organizations in Beijing.

ZHOU GUCHENG, OTHERS ATTEND PRANDA SHOW OPENING

OW141542 Beijing XINHUA in English 1447 GMT 14 Jul 84

[Text] Beijing, July 14 (XINHUA) -- An exhibition on giant panda's life opened here today at the Beijing Museum of Natural History. On display are photos, specimens and objects, aided by lantern slides, film and video tape shows. The exhibition also features China's current efforts to protect and rescue this world's rare animals, now starving from the withering of its staple food, bamboo. Speaking at the opening ceremony of the "I love giant panda" show, Dong Zhiyong, vice-president of the China Wildlife Conservation Association, said that the show is aimed at imbuing people with a greater love for the animal.

Zhou Gucheng, vice chairman of the Standing Committee of the National People's Congress, and Qian Changzhao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the ceremony.

Earlier this year, exhibitions and performances have been held throughout the country to raise money during the nation-wide rescue campaign. The show, sponsored by the China Wildlife Conservation Association and the Beijing Museum of Natural History, will run till the end of July.

ANHUI URGES DEVELOPMENTS OF SMALL RURAL TOWNS

OW180922 Beijing XINHUA in English 0903 GMT 18 Jul 84

[Text] Hefei, July 18 (XINHUA) -- Authorities in the eastern province of Anhui are taking major steps to encourage the growth and development of small rural towns through the use of local resources.

Among the many rural towns using local farm produce, animal and side-line products to build up their local industry, is Qizi, 40 kilometers from the county seat of Shexian County in southern Anhui. Local people there use dates, peaches, plums, apricots and oranges to make preserved fruits and local bamboo, wood and tea to set up processing factories. With the growth of local industry, commerce and service trades have also developed. A new cinema house, a cultural center and a hospital have been built in the town as it prospers.

In Digang, a small town on the southern bank of the Yangtze River, where there is a large deposit of limestone, a limekiln and a cement factory have been set up.

With funds accumulated by these enterprises, 16 more factories involving plastics, leather goods, foodstuffs, powder metallurgy and glass instruments have been set up. In a number of small towns near cities and on major routes, joint enterprises and individually-run businesses have sprung up, dealing mainly in transportation and some also in buying and selling. New rural towns have emerged with the opening to tourists the well-known mountains such as the Huangshan and Jiuhua, a sacred place for Buddhism.

The 1,400 residents of Jiuhuajie, a small town at the foot of the Lotus Peak of the Jiuhua Mountain, could hardly support themselves on the four square kilometers of land. But now that the beautiful resort is open to tourists and pilgrims, more than 70 per cent of local people have been employed in factories and service trades serving the 100,000 visitors each year.

The development of small rural towns to keep pace with the rapid growth of China's commodity production, and to prevent an excessive growth of cities through migration of peasants is an important part of China's modernization drive. The Anhui Provincial People's Government has drawn up a series of policies to encourage the development of rural towns and thereby expand the province's urban population from the present eight million to 23 million by the year 2,000.

FUJIAN OFFERS FAVORABLE TERMS TO FOREIGN FIRMS

OW182213 Fuzhou FUJIAN RIBAO in Chinese 7 Jul 84 p 1

[Text] Sanming, 6 Jul (FUJIAN RIBAO) -- At Sanming City's international economic and trade talks today, Mayor Yang Weijie offered foreign businessmen six favorable terms for joint ventures and cooperation.

1. Enterprise operation and management -- Foreign investors may join Sanming City in establishing joint ventures, or run enterprises independently. They may hire foreign nationals, Overseas Chinese and Hong Kong and Macao residents for technical and managerial work, or hire workers and staff in China. They may decide on the form of wages.

2. Taxes -- The income tax rate on joint ventures shall be 30 percent. In addition, a local income tax of 10 percent shall be levied. A newly established joint venture scheduled to operate for a period of 10 years or more shall be exempted from income tax in the first 2 profit-making years and allowed a 50 percent reduction of income tax in the next 3 years. The joint ventures established between Hong Kong, Macao or Taiwan compatriots and Sanming City shall be exempted from income tax in the first 3 profit-making years and allowed a 50 percent reduction of income tax in the next 5 years. Joint ventures engaged in development operations such as farming and forestry and joint ventures engaged in low-profit operations may request continued income tax exemption and reduction after the expiration of initial income tax exemption and reduction.

3. Use of land -- Sanming City will satisfy the investors' demand for use of land and will charge rent according to the grade of the land on the principle of low rent. No rent will be collected on land used by projects involving the importation of special advanced technologies, or projects for which the primary purpose is not to make profits.

4. In order to ease the burden for investors, Sanming City will pay for transportation between ports and Sanming City.

5. Marketing of products -- A certain percentage of products may be sold on China's market if they are in short supply in China. The percentage of products for domestic sale may be appropriately increased if the products are produced with foreign investors' technology and capital and with Chinese equipment and raw materials. Such products may even be sold mainly in China.

6. Wages -- Wages may be discussed and decided on between labor and management in the course of signing contracts in accordance with relevant Chinese regulations on various enterprises. They may be lower than the wages in coastal areas.

Nearly 200 persons took part in the talks. They included industrialists, businessmen, scholars and reporters from Japan, France, Singapore, Hong Kong, Macao and seven other countries and regions; representatives of various departments concerned and various prefectures, cities and counties of Fujian Province; Deng Chao, secretary of the Sanming City CPC Committee, and other leading comrades of the city.

Foreign industrialists and businessmen were greatly inspired by the six favorable terms offered by Mayor Yang Weijie. One after another, they expressed their willingness to cooperate sincerely with Sanming City and to contribute to Sanming's development.

JIANGSU APPROVES FOREIGN INVESTMENT PROJECTS

OW182049 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 14 Jul 84

[Text] XINHUA RIBAO report: In the first half of 1984, the provincial authorities approved 135 projects to be undertaken with foreign capital, amounting to more than \$76 million. There are two notable features in this year's utilization of foreign capital in Jiangsu Province. One is the increase in the number of Chinese-foreign joint ventures. In the past 5 years, the province undertook more than 1,000 projects of various forms using foreign capital, but only 4 of them are Chinese-foreign joint ventures. In the first half of this year, seven joint ventures were agreed upon during our comprehensive negotiations with Japanese, U.S., Spanish, Australian, Austrian, Canadian and Hong Kong firms. In addition, 17 joint ventures, of which the feasibility has been confirmed, are being discussed with foreign businessmen.

At the same time, there are an increasing number of projects in which international banking organizations invest. Their investment accounts for about 40 percent of the total foreign capital which is directly used in this province.

The other feature is that foreign capital is being used in a wider area. In the last few years, this province used foreign capital primarily in the light and textile industries. Of the foreign-capital projects approved in the first half of this year, the projects dealing with electronics, metallurgy, machinery, chemical engineering and tourism account for a larger percentage than before.

MURDERER OF JIANGSU COAL MINE REFORMER EXECUTED

OW181447 Beijing XINHUA Domestic Service in Chinese 0826 GMT 17 Jul 84

[By correspondent Shen Xing and reporter Yin Xuecheng]

[Text] Nanjing, 17 Jul (XINHUA) -- The Xuzhou City Intermediate People's Court in Jiangsu Province held a public trial on 17 July at the Haqiao Coal Mine; according to law, it passed the death sentence on and deprived the political rights of Liu Jindang, the culprit who murdered reformist cadre Ding Jilong of the coal mine.

After the Xuzhou Mining Bureau trial implemented the economic contract responsibility system last October, Ding Jilong, leader of the No 10 mining area who persisted in carrying out reform, formulated, together with cadres and miners of the area, a set of rules and regulations for rewarding hard workers and punishing lazy workers. Worker Liu Jindang, who frequently pretended to be sick or stayed away from work without good reason, was dissatisfied with the rules and regulations. On 18 June he received his pay slip which showed that his wage for the month was only 27.42 yuan. Blaming Ding Jilong for finding fault with him, he decided to take revenge. Early in the morning of 30 June, Liu Jindang murdered Ding Jilong while he was sleeping.

JIANGXI PEOPLE'S CONGRESS COMMITTEE MEETS

OW182056 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Jul 84

[Text] The Sixth Jiangxi Provincial People's Congress Standing Committee held its seventh meeting at the Jiangxi guesthouse from 13 to 15 July. Ma Jikong, chairman of the provincial People's Congress Standing Committee, presided over the meeting. Vice Chairmen Wang Zemin, Zhang Yuqing, Xie Xianghuang, Xin Junjie, Zhang Guozhen and Huang Xiandu of the provincial People's Congress Standing Committee attended the meeting. The meeting heard, examined and discussed a report on the reform situation in the provisional economic system made by Vice Governor Ni Xianc on behalf of the provincial People's Government. It also discussed and adopted a resolution on accelerating the reform of Jiangxi's economic system.

In his report, Vice Governor Ni Xianc recalled the good trends in Jiangxi's reform of its economic system since the 3d Plenary Session of the 11th CPC Central Committee, pointed out existing major problems, and put forward the following priority tasks for the second half of this year:

1. The province will continue to simplify administrative procedures and delegate powers to lower levels, and firmly enliven the enterprises.
2. The province will proceed from the establishment of trade centers to accelerate the reform of the circulation system.

3. The province will accelerate the all-round reform of the building industry.
4. The province will resolutely extend the decisionmaking power of the enterprises according to plan in the course of comprehensive urban reform.
5. The province will do a good job in reforming the economic management department.
6. The leading cadres at all levels should work at selected units in the course of structural reform.
7. It is necessary to handle well the relationship between the reform and the improvement of the enterprises.
8. It is necessary to deal correctly with the problems emerging in the course of the reform.

Zhang Guozhen, vice chairman of the provincial People's Congress Standing Committee and chairman of the provincial People's Congress Financial and Economic Committee, commented on the report of the reform situation in the provincial economic system. During discussion, the Standing Committee members expressed satisfaction over the provincial government's report. At the same time, they also made some comments and suggestions. The meeting also approves some personnel appointments and removals.

Attending the meeting as observers were Liu Bin, president of the provincial Higher People's Court; Chen Keguang, chief procurator of the provincial People's Procuratorate; responsible persons of various city People's Congress standing committees; responsible persons of the liaison offices in various prefectures of the provincial People's Congress Standing Committee; and responsible persons of the provincial structure Reform Committee.

SHANDONG LEADERS INSPECT FLOOD PREVENTION WORK

SK190420 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Jul 84

[Excerpt] On 15 and 16 July, Li Zhen, deputy secretary of the provincial CPC Committee and vice governor of the province, and Lu Hong, vice governor, went to Weifang City, Linyi Prefecture, and Taian Prefecture to inspect flood prevention work. They heard reports by responsible comrades of the city and prefectures regarding flood prevention work and disaster conditions. They also inspected some unsafe reservoirs and sections in (Tianzhong) along the Bailang He and discussed ways to cope with an emergency. They also went to flood-stricken villages and towns to express sympathy and solicitude to the people.

Since the beginning of the flood season, there has been above average rainfall in most areas of the province. From the night of 11 July to the early morning of 12 July, most mountainous areas in Taian and Linyi Prefectures experienced rainstorms, and precipitation in Yiyuan and Linqu Counties and in Laiwu City measured over 220 cm. As a result, water conservancy installations, roads, traffic services, and fall crops were seriously damaged.

SHANGHAI TO SELL IMPORTED CARS TO INDIVIDUALS

OW181157 Beijing XINHUA in English 1039 GMT 18 Jul 84

[Text] Shanghai, July 18 (XINHUA) -- Shanghai commercial department will start selling imported cars, trucks and other motor vehicles to individuals and collective customers later this year.

This is the first time that motor vehicles have gone on the market in Shanghai. Up to now, the state has directly allocated them to enterprises or government units.

Among vehicles for sale will be small four-seat cars imported from Poland. They will cost 10,000 yuan each. Many peasants in specialized work in the suburban areas of Shanghai and in Jiangsu and Zhejiang Provinces are reported to be waiting to buy them.

Rapid economic development in China's rural areas has made tractors and motor vehicles more popular among peasants.

According to statistics, the number of tractors owned by individual peasants at the end of last year was 2.12 million -- more than double the figures of 12 months previously. The number of trucks owned by peasants came to 89,000 -- 72,000 up on the previous years.

REN ZHONGYI ON DEVELOPMENT OF GUANGDONG TOURISM

HK181023 Guangzhou NANFANG RIBAO in Chinese 13 Jul 84 p 1

[Report: "Ren Zhongyi on Speeding Up the Development of Tourism at Provincial Meeting of City (Prefectural) CPC Committee Secretaries"]

[Text] At the provincial meeting of city (prefectural) CPC committee secretaries held by the Guangdong Provincial CPC Committee not long ago, First Secretary Ren Zhongyi of the provincial CPC Committee said: Tourism is also one of the advantages of our province and it is necessary to speed up its development. In developing tourism, it is necessary to stress culture and combine scenic beauty with the historical and cultural sites.

By speeding up the development of tourism, Comrade Ren Zhongyi pointed out, we can earn more foreign exchange and facilitate the import of advanced technologies and the four modernizations. Not long ago, a central leading comrade inspected Heng Shan, Hunan Province, and he suggested that people could become households specialized in tourism and tourists could live in the homes of those with ample living space. Many people living in the vicinity of the tourist resorts in our province are quite rich and they have ample living space. They can become full-time or part-time specialized households in tourism. The Bureau of Tourism will handle the allocation of tourists and the specialized households are to pay a fee to the bureau.

Ren Zhongyi said that not long ago he found in Hunan that some tourist resorts had combined scenic beauty with cultural and historical sites and that the guides were good at briefing the tourists. We should also pay attention to this. It is not enough to let the tourists live at hotels and go sight-seeing. It is necessary to stress culture in order to develop tourism. There is an old saying: "Whether or not a mountain is high is not important; it becomes famous if there are fairies." In regard to tourism, "whether or not a mountain is high is not important; it becomes famous if there are cultural and historical sites." In history, particularly modern history, Guangdong has produced many famous people and famous historical sites. We must devote greater efforts to construction in this regard. This is also spiritual civilization.

In addition, Comrade Ren Zhongyi recommended to the attendants of the meeting "Hotels Run by Chinese Peasant Households," a report written by a Japanese correspondent. The report describes the peasants of Huaxi Brigade, Jiangyin County, Jiangsu Province, who, after building new housing and renovating old houses, transformed 4 unused bungalows into rural hotels which can accommodate 30 people. People are provided with meals in the homes of the peasants. In addition, they can visit rural factories, ride buffaloes, feed ducks, operate the traditional dragon-bone water wheel, and so on. Comrade Ren Zhongyi hoped that the comrades concerned would learn from the practice of Huaxi Brigade, use their brains, have the courage to innovate, and give tourism a stronger Chinese flavor and a stronger local flavor in order to attract more tourists.

GUANGXI SCORES CULTURAL REVOLUTION METHODS

HK190421 Nanning Guangxi Regional Service in Mandarin 1130 GMT 18 Jul 84

[Report on 18 July GUANGXI RIBAO commentator's article: "It Is Necessary To Thoroughly Negate the Methods of the Cultural Revolution"]

[Excerpts] The article says: In completely and totally negating the Great Cultural Revolution, we must negate not only its theory but also its erroneous methods.

Since the end of the Great Cultural Revolution, and especially since the 3d Plenary Session of the 11th CPC Central Committee, as a result of continually eliminating leftism, bringing order out of chaos, carrying out propaganda in the legal system, conducting education in discipline, and building socialist spiritual civilization, people have stressed civilization and morality and have respected law and discipline, and the social mood has daily changed for the better. A new situation of stability and unity has appeared.

However, we must also realize that the evil influence of the Cultural Revolution has not yet been thoroughly eliminated. Certain people are still indulging in Cultural Revolution methods. If they do not get what they want, they take the lead in stirring up trouble, hammer on the tables, chairs, doors, and windows, and even take out knives and threaten to kill people. Some people have not yet eliminated factionalism; they engage in establishing ties [chuan lian] and put up big-character posters attacking the party and government organs. They seriously interfere with and sabotage production, work, and social order. All these things are leftovers from the Cultural Revolution and expressions of anarchism and extreme democracy. They violate people's safety and sabotage socialist democracy and the legal system, social order, and stability and unity. We must totally negate these erroneous methods of the Cultural Revolution.

Some say that people should not be blamed for acting in this way since they are exercising their democratic rights. That is wrong. Resorting to violent and rough methods in a vain attempt to force other people or organizations to agree with one's own view is certainly not democracy, but the sabotage of democracy. Ours is a socialist country, and the masses should enjoy extensive and full democratic rights. However, our democracy is democracy under the guidance of centralism, and our freedom is to be constrained by discipline. The erroneous methods cited above, which were rife during the Cultural Revolution when they were known as so-called taking revolutionary action, are in fact wanton trampling on socialist democracy and the legal system. We must severely criticize this erroneous behavior and deal seriously with those who violate party discipline and state law.

There are others who say: Everything has a cause. If an individual's problems cannot be solved it is understandable and justified to make a noise about it. This notion is also wrong. People who act in a completely lawless fashion always do so out of the narrow interests of the individual or of a small clique and pay no heed to the overall situation in being deliberately provocative. What is justifiable about that? Even if they are right to some extent regarding certain issues, it is wrong to make trouble. Making trouble can only disrupt order and does not help to solve the problems. Problems can only be solved in a truth-seeking way according to the policies by applying rational means in exposing, criticizing, appealing, and accusing, and by relying on the party organization and the People's Government. It is absolutely forbidden to adopt the extreme methods of the Cultural Revolution.

Extreme democracy, lawlessness, and outrageous behavior constitute a component part of the leftist errors of the Cultural Revolution. Apart from poisoning the current social atmosphere, these methods of the Cultural Revolution disseminate errors which will affect the quality of the new generation and jeopardize the motherland's future. We must therefore strengthen discipline in the current party rectification and do a good job of making up for errors by totally negating the Cultural Revolution. As for the erroneous methods of the Cultural Revolution, we must carry out thorough-going efforts to bring order out of chaos in thinking and action, enable people to distinguish between socialist democracy and extreme democracy, and understand and handle properly the dialectical relationship between freedom and discipline, democracy and centralism, and democracy and legal system.

HENAN PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK180908 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 16 Jul 84

[Excerpts] The eighth meeting of the sixth provincial People's Congress Standing Committee ended yesterday afternoon. Zhao Wenfu, chairman of the provincial People's Congress, presided over yesterday's meeting.

The meeting examined and approved the rules on mining industry management in the province put forth by the provincial People's Congress Financial and Economic Committee, and also adopted a relevant resolution. The meeting also examined and approved the agricultural section on methods for carrying out the quarantine of plants in the province and adopted a relevant resolution.

The meeting also adopted appointments and removals. On the issue of appointments and removals, the members sharply criticized some units for their failure to carry out procedures on appointments and removals according to local organizational law. At the conclusion of the meeting, Chairman Zhao Wenfu pointed out that it was absolutely wrong and impermissible to violate the law on appointments and removals.

HUBEI PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK190218 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 17 Jul 84

[Text] The 10th meeting of the 6th provincial People's Congress Standing Committee held a plenary session this afternoon. The session was presided over by Li Fuquan, vice chairman of the provincial People's Congress Standing Committee.

At the session, Zhang Jinxian, vice chairman of the provincial People's Congress Standing Committee, gave explanations of a draft resolution on protecting the legitimate rights and interests of rural specialized households. He said: As a result of practicing the system of contracted responsibilities with payment linked to output, a great number of specialized households and various economic combinations have emerged in the rural areas of the province. They represent current advanced productive forces in rural areas. However, due to leftist influence, there have appeared cases of infringing on the legitimate rights and interests of specialized households and economic combinations.

Cases of infringing on the legitimate rights and interests of specialized households and economic combinations have failed to be handled promptly and those violating the law have failed to be punished according to the law. At the second meeting of the sixth provincial People's Congress, many deputies had a strong aversion to this and asked the provincial People's Congress Standing Committee to formulate a law on this problem.

We believe that protecting the legitimate rights and interests of rural specialized households and economic combinations are prime issues in the current economic development of rural areas. It is very necessary for the provincial People's Congress Standing Committee, as the local organ of state power, to make a decision on this problem.

The session also listened to a report made by provincial Vice Governor Wang Libin on an overall review of prices and suggestions on future pricing work in the province. He said: At the seventh meeting of the sixth provincial People's Congress Standing Committee, we held discussions on pricing work and laid stress on maintaining basically stable prices in the market. Based on this, the province conducted an overall review of prices in May this year. The review showed that our market prices were fundamentally stable and the general index of retail prices in the first quarter increased slightly compared with the same period last year. The price index for inferior goods dropped. In some places, the production and supply of vegetables have improved and prices were generally stable. Oil and grain prices have begun dropping in rural markets.

Wang Libin pointed out: The main problems in the current pricing work are: the prominent problem of increasing prices of the means of production in a disguised form; cases of selling the means of industrial production; confusion about prices; part of the means of agricultural production being inferior in quality but high in price; willfully increasing prices; and enterprises which deal in fixed and negotiated price commodities converting fixed price commodities to negotiated ones.

Wang Libin stressed: In order to do better pricing work, it is necessary to consolidate the achievements seen in the review on prices. As for those problems which have been investigated and have not yet been handled, they must be seriously dealt with according to policy. It is necessary to continue to do a good job in stabilizing the price of non-staple food in cities, the prices of vegetables and pork in particular. It is necessary to resolutely halt the practice of wantonly increasing the prices of the means of production. Meanwhile, along with the in-depth development of the reform of urban economic system, the state will correspondingly reform the pricing policy. We must do good political and ideological work and educate cadres and masses to treat correctly, take an active part in, and support vigorously the reforms.

Han Ningfu, chairman of the provincial People's Congress Standing Committee; Zhang Xiulong, Jiao Dexiu, Tang Zhe, Shi Chuan, Lin Musen, Chu Chuanyu, Wang Zhizhuo, and Lin Shaonan, vice chairmen of the provincial People's Congress Standing Committee, attended the session. Responsible persons from the provincial People's Court, relevant departments of the provincial People's Government, and the People's Congress standing committees of all the cities and autonomous prefectures attended the session as nonvoting delegates.

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PR C REGIONAL AFFAIRS
SOUTHWEST REGION

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SICHUAN'S YANG RUDAI LAUDS PLA'S ANTIFLOOD WORK

HK180901 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 17 Jul 84

[Text] Yang Rudai recently gave written instructions and comments on a report on PLA units stationed in Sichuan that helped the masses fight floods and conduct relief work. He said that where there is a disaster, there is the Army composed of the sons of the people; that in the struggle against floods, PLA units stationed in Sichuan were eager to meet the needs of the people; and that this spirit is worth advocating and commending. In the past 2 months, counties and cities in some prefectures suffered from natural disasters such as floods and hail. By 13 July, in the course of helping the masses fight floods and conduct relief work, PLA units stationed in Sichuan had sent out the equivalent of 6,100 persons, the equivalent of 30,000 militiamen, and some 150 motor vehicles of various kinds. They had helped some 1,400 afflicted households to transplant seedlings and fill gaps with seedlings on some 9,000 mu, quickly rescued a large number of materials, and protected the country and the masses' lives and property.

YIN FATANG ATTENDS XIZANG CPPCC SESSION

HK190231 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Jul 84

[Excerpts] The second session of the fourth Xizang Regional CPPCC solemnly opened in Lhasa this morning. Yangling Duoji, chairman of the regional CPPCC, and Pagbalha Geleg Namgya, vice chairman, presided at the opening of the session. Responsible comrades of the party, government, and Army in the region Yin Fatang, Duojiecaidan, Ba Sang, Cao Xu, Zhang Xiangmin, Niu Ruizhou, Zhang Zengwen, Li Benshan, Shengqin Luosangjianzan, Lang Jie, Jiangzhong Zhaxiduoji, Peng Zhe, Yang Zongxin, Pu Qiong, Jiang Cuo, Jipu Pingcuocideng, (Zhang Zhongbiao), (Che Bixian), and (Zhang Jun) were present and extended congratulations on the convening of the session. In a speech, Comrade Yangling Duoji proposed the three main tasks for CPPCC work in Xizang. The first is to further study and implement the minutes of the forum on work in Xizang. The second is to strengthen the work in the fields of the united front, nationalities, and religion in the region. The third is to further launch CPPCC work and create a new situation in this work.

MORE GRADUATES ASSIGNED TO WORK IN XIZANG

OW190332 Beijing XINHUA in English 0236 GMT 19 Jul 84

[Text] Lhasa, July 19 (XINHUA) -- This year 1,440 college and secondary technical school graduates have been assigned or volunteered to work in Tibet, a 46.8 percent increase over 1983 and a record high. According to the region's Labor and Personnel Bureau, 917 have graduated locally and the rest are from more than 100 schools in other parts of China. Most of them will work in agriculture, animal husbandry, transport and energy departments and schools. The Chinese Communist Party Central Committee Secretariat earlier this year decided to speed up the development of Tibet. While all graduates from Tibetan colleges and technical schools are employed locally, the state each year sends to Tibet a number of graduates from other areas. Some 150 graduates from the Tibet Institute for Nationalities based in Xianyang, Shaanxi Province, will also return soon to Tibet. Set up in 1957, the institute has since trained 13,000 students for Tibet. Most of them are of the Tibetan, Monba and Lhoba ethnic groups.

BELJING GROUP MAKES FURTHER RECTIFICATION PLANS

HK180921 Beijing BEIJING RIBAO in Chinese 14 Jul 84 p 1

[Report by Zhang Yanjun: "Municipal Group for Guiding Party Rectification Holds Meeting To Arrange Work of Rectification and Correction of Defects in the Coming 3 Months; Li Ximing Speaks at the Meeting" -- capitalized passages published in boldface]

[Text] Yesterday at a meeting held by the municipal party committee's group for guiding party rectification. Li Ximing, secretary of the municipal party committee, stressed that departments and offices under the municipal party committee and the municipal government must set high and strict demands for party rectification in their units. They should take effective measures to settle a number of major problems before National Day and should markedly improve their work efficiency and work style in order to show the effect of the party rectification.

As of now, most of the 37 units which constitute the advanced party in the first phase of the party rectification have basically fulfilled the task of self-examination. In light of the requirements prescribed in Circular No 9 of the Central Commission for Guiding Party Rectification, these units will have to carry out intensive rectification to improve their work within the next 3 months. Yesterday, the municipal group for guiding party rectification held a meeting to make concrete arrangements for the rectification and improvement work of the units which are the first to carry out party rectification.

The municipal group for guiding party rectification pointed out that intensive rectification and improvement in the coming 3 months is a major step necessary for ensuring high quality in party rectification after the stage of self-examination. When embarking on this intensive rectification, departments and offices of the municipal party committee and the municipal government should concentrate their efforts on the key areas pointed out by the Central Commission for Guiding the Party Rectification in its Circular No 9. They should further emancipate people's minds, eliminate the "leftist" influence, shake off outmoded and obsolete conventions and ideas, correct their work guidelines, and orient their routine work to the general task of the party. For this sake, attention should be focused on the following six areas:

1. STREAMLINE THE ADMINISTRATIVE STRUCTURE AND DECENTRALIZE MANAGEMENT POWERS.

Authority over matters of structuring the administration, appointing and removing cadres, using funds, disposing of materials, approving development plans, and operating businesses should be passed down to districts, counties, and enterprises, as far as that is possible. Enterprises, institutions, and party organizations should be put under the leadership of districts and counties as far as the devolution is feasible. All municipal departments, commissions and offices should seriously study plans for further devolution.

2. FURTHER ADVANCE STRUCTURAL REFORM. When delegating authority to lower administrations, the municipal party committee and the municipal government should also work out a scheme for streamlining the structure of the municipal authorities. According to the guideline of consolidating the power centers at the two levels -- the municipal level and the district-county level -- powers should be concentrated on the municipal party committee and the municipal government and on the district and county party committees and governments. The functions of various departments, commissions, and offices at these two levels should be readjusted. Party organizations should be separated from administrative functions, and administrative organs should be separated from business management of the enterprises. It is necessary to eliminate overlapping, unwieldy, and inefficient administration.

Consulting bodies should be strengthened so they can better serve in decisionmaking. It is necessary to replenish the general offices of the municipal party committee and the municipal government with competent personnel to make them more efficient in dealing with central and routine work. Pilot projects for structural reform will be carried out in a number of municipal departments, including the municipal Planning Commission and the municipal Office for Educational and Cultural Affairs. The parties concerned should try to achieve results and gain useful experience in a short time.

3. IMPROVE THE STYLE OF WORK AND OVERCOME RED TAPE. All departments of the municipal party committee and the municipal government should carry out the guiding principle of orienting their work to the needs of grassroots units so as to improve their leadership manner and work methods. They must resolutely implement the municipal authorities' decision on overcoming red tape and must be resolved to reduce the number of meetings and documents. Leading cadres of various municipal departments should use 3 months each year to make on-the-spot investigations and studies in grassroots units and help them solve actual problems. They should spend at least 3 weeks doing this before National Day. The municipal party committee and the municipal government should not hold meetings on Monday and Thursday. They will enthusiastically receive comrades running errands from other localities and people who come to ask for help. Through these reforms, they will change their bureaucratic work style which divorces them from the masses.

It is necessary to conduct education among all cadres in municipal offices to strengthen their sense of organization and discipline. Strict examinations should be made to see whether the decisions of the municipal authorities have been faithfully carried out. People who hinder the implementation of these decisions should be criticized seriously and their cases should be promptly settled.

4. TAKE FURTHER STEPS TO CORRECT BUREAUCRATIC PRACTICES AND DEAL WITH CASES IN WHICH CADRES VIOLATE DISCIPLINE AND USE POWERS IN PURSUIT OF PRIVATE GAIN. The preceding stage of self-examination brought to light some serious cases in which cadres indulging in bureaucratic practices caused enormous political and economic losses to the state. Also, cadres keen on using their powers in pursuit of private gain violated discipline in the areas of housing, urban household registration, foreign affairs, economic and financial affairs, and the transfer and appointment of cadres. All these cases should be thoroughly dealt with by special personnel and special groups within a set time. Cases in the first group of units in party rectification must be resolved before National Day. Part of the cases in the second group should also be settled before National Day. At the same time, it is necessary to study the policies for handling these cases and to work out measures for preventing the recurrence of these malpractices. The settlement of these discipline-violating cases should be reported to party organizations and discipline inspection commissions at the higher level. No people or units are allowed to plead for mercy and to intervene in the enforcement of discipline.

5. CONDUCT PROFOUND IDEOLOGICAL EDUCATION IN THOROUGHLY REPUDIATING THE "CULTURAL REVOLUTION," OVERCOME FACTIONALISM, AND BUILD UP PARTY SPIRIT. Severe disciplinary measures should be taken to punish people who insist on factionalism and disturb party rectification and other work.

6. FURTHER STRENGTHEN THE BUILDING OF LEADING BODIES. In the current party rectification, leading bodies must seriously settle the major problems that have been exposed in the stage of self-examination.

It is necessary to promote a number of outstanding young and middle-aged cadres who adhere to the correct ideological principles, have strong party spirit and organization ability, dare to carry out reforms, and are well educated to leading positions.

The second group of units in party rectification should first earnestly study the documents concerned and achieve a uniform understanding. At the same time, they should take measures to resolve major problems in the course of party rectification. Other units which have not begun party rectification should also take measures to improve their work. All units should step up the work of investigating cases related to people of the three categories."

Jiao Ruoyu, Wang Xian, Ma Yaoji, Jia Chunwang, and Jin Jian, leading comrades of the municipal party committee, and Wang Fu and Zhu Chun, responsible comrades in charge of the Beijing work of the Central Commission for Guiding Party Rectification, attended the meeting.

2D GROUP OF BEIJING UNITS BEGINS RECTIFICATION

HK181218 Beijing BEIJING RIBAO in Chinese 13 Jul 84 p 1

[Report: "Another 109 Bureaus and General Companies and Five Institutions of Higher Learning in Beijing Begin Party Rectification"]

[Text] Recently, another 109 units at the bureau or general company level (and 71 units subordinate to them) and 5 institutions of higher learning in this municipality have successively begun party rectification. They are the second such group of units to carry out party rectification. More than 40,000 party members are involved.

The first group of units to carry out party rectification first began party rectification on 15 November last year. By now most units have finished comparison and examination. They are about to carry out simultaneous rectification and correction of defects. Compared with the first group, the second group has more units and more party members. In addition, the units in the second group are important units in the municipality. In regard to the arrangements for party rectification, there are roughly two courses of action to be taken: 1) Concentrate on the study of several documents on party rectification and sort out major problems before proceeding to carry out comparison and examination. The alternative is that a rather long time be spent on combining reforms with the study and discussion of the problem of "unifying thinking," comparison, examination, and the simultaneous rectification and correction of defects. Then they should study and discuss the problems of party spirit, party style, and party discipline should be studied and discussed and comparison, examination, and the simultaneous rectification and correction of defects should be carried out. 2) On the basis of the criteria for party membership and the requirements imposed on party-member cadres, overall comparison, examination, and simultaneous rectification and correction of defects should be carried out.

On the basis of the circumstances and characteristics of the second group of units to carry out party rectification, the Office for Party Rectification under the municipal CPC Committee has set the following demands: 1) Centering on the party's general task and general objective, reforms should be closely combined with party rectification. 2) It is necessary to properly study the documents on party rectification throughout the entire course of party rectification and to pay close attention to the key link of unifying thinking. Some units think that they have learned something, corrected some defects, and devoted some efforts to examining. Thus, there is no longer a need to devote great efforts to study. This view is incorrect. In order to not carry out party rectification in a perfunctory manner, it is first necessary to not study documents in a perfunctory manner.

There is no shortcut. 3) From beginning to end, the leaders should persistently take the lead, and it is necessary to carry out party rectification at each level from top to bottom. 4) It is necessary to adhere to the principle of carrying out simultaneous rectification and correction of defects from beginning to end. 5) From beginning to end it is necessary to persistently find out and investigate "people of the three categories" and strengthen the building of the third echelon. 6) It is necessary to carry out supervision at all levels, to strictly examine results, to ensure quality, and to not do things in a perfunctory manner.

HEBEI MEETING ON ECONOMIC LEADERSHIP GROUPS HELD

HK190209 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 12 Jul 84

[Excerpts] The provincial CPC Committee has held a provincial conference on strengthening leadership groups on the economic front. The conference, held in Shijiazhuang from 7 to 10 July, proposed that the province strive to ensure that during this year all factory managers and party committee secretaries of large and medium backbone enterprises have university educational standards and that a highly-educated leadership structure be formed.

Provincial CPC Committee First Secretary Gao Yang, Secretaries Xing Chongzhi and Xie Feng, and Standing Committee members Ye Liansong and Qu Weizhen attended the closing session.

During the conference, Comrade Gao Yang stressed the importance of studying economic theory and reading economic books and journals for improving the quality of the cadre force. Apart from ZHENGZHI JINGJI XUE [STUDY OF POLITICS AND ECONOMICS] and GUOMIN JINGJI GUANLI XUE [STUDY OF NATIONAL ECONOMIC MANAGEMENT], which have already been recommended, he recommended that leading cadres on the economic front also study the economic works "The Scientific Foundation of Leadership," "The Third Wave," and "Major Trends." He also advocated that comrades engaged in economic work read JINGJI RIBAO, SHIJIE JINGJI DAOBAO, JINGJI CANKAO [ECONOMIC REFERENCE], and XINHUA WENZHAI [XINHUA DIGEST], to promptly get to know and grasp the new situation in changes in economic development at home and abroad.

Comrade Xing Chongzhi said in a speech: Although the province has made relatively great progress in economic work in the past 2 years, our development speed is not fast and our economic results not good enough compared with advanced provinces and municipalities. A very important reason for this is that our leadership groups have not been readjusted well.

He stressed that we must uphold the employment viewpoint of the new period which, in essence, means the four transformations of the cadre force. We must destroy the pernicious influence of leftism and the factionalist viewpoint -- together with its offshoots of sectarianism and networks of relationships -- and avoid sticking to a single pattern in discovering and employing talent.

Comrade Xie Feng delivered a summation. He said: We must understand the necessity and urgency of further readjusting the leadership groups on the economic front from the strategic plane of achieving the general task and goal proposed by the 12th party congress. At present, it is a fact that certain leadership groups are not good enough. They are too old, their educational standards are too low, they lack sufficient expertise, and their structure is irrational. There has not yet been any fundamental change in this situation. We must resolve to carry out further readjustments. If we one-sidedly stress stability, indulge and look after people to an excessive degree when selecting and assigning cadres, and organize transitional leadership groups, then we will have to carry out fresh readjustments and it will be impossible to keep things stable, however much we want to. Hebei has relatively ample sources of talent. The conditions exist for selecting and promoting leading cadres from its large number of college and university graduates.

At present we must focus on solving three problems:

1. We must do away with the system of simply appointing cadres and must establish integrated systems of appointment, hiring, and contracts in cadre employment and assignment.
2. We must delegate cadre management jurisdiction powers to the lower levels, based on the spirit of less, lively, and good management. We must change the situation whereby the organization departments take charge of too much and stifle things, and whereby cadre work and professional work are regarded as two separate things.
3. We must enliven the mobility of talent and break down the systems of unit and departmental ownership of cadres, which actually exist. On the one hand we must open up more channels for the mobility of talented people, under the premise of regarding planned transfer and assignment as the main method, and on the other we must proceed from reality and formulate a number of preferential treatment policies to attract talent.

Comrade Xie Feng said: The provincial CPC Committee has studied the matter and decided to actively promote the responsibility system for plant managers throughout the province. Enterprises in which the conditions are ripe for this system should actively institute it; otherwise, they should first carry out division of work between party and government to create conditions for instituting the plant manager responsibility system.

Comrade Xie Feng emphasized in conclusion: We must reform the cadre structure in the organization and personnel departments and build a cadre management force that meets the demands of the four transformations of the cadre force. We must change the present situation whereby cadres of organizations and personnel departments at all levels in the province are conservative in thinking, lack pioneering spirit one, have limited knowledge and vision, and have low educational and professional knowledge standards. We must resolve to select a number of party-member cadres who have strong party spirit, specialized knowledge, and university and college educations to strengthen the organization and personnel departments.

NEI MONGGOL'S ZHOU HUI ATTENDS FUNERAL

SK190222 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 18 Jul 84

[Text] Comrade Eqierhuyaketu, vice chairman of the regional People's Congress Standing Committee, died in Hohhot on 2 July after all efforts to save his life proved ineffectual. He was 85 years old.

The memorial service for Comrade Eqierhuyaketu was held at the mourning hall of Daqinghsan Cemetery in Hohhot on 14 July. Presenting wreaths at the service were Ulanhu, vice president of the PRC; the United Front Work Department of the CPC Central Committee; the General Office of the NPC Standing Committee; the State Nationalities Affairs Commission, the Nei Monggol Regional CPC Committee; the preparatory group of the regional party committee's Advisory Commission; the regional People's Congress Standing Committee; the regional People's Government; the regional CPPCC Committee; the regional Military District; various departments, committees, offices, and bureaus; various higher educational institutions; various democratic parties; mass organizations; and various leagues, cities, and banners.

Laying wreaths and attending the service were leading personnel of the region, including Zhou Hui, Bu He, Qian Fenyong, Batubagen, and Liu Guiqian. Batubagen, deputy secretary of the regional CPC Committee and vice chairman of the regional People's Congress Standing Committee, delivered a memorial speech.

Comrade Eqierhuyaketu's ashes will be buried in Ejin Horo Banner within the next few days.

FOUR NEI MONGGOL CRIMINALS SENTENCED TO PRISON

SK180802 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 17 Jul 84

[Excerpts] Through repeated investigations and meticulous work, those who actively supported the Lin Biao and Jiang Qing counterrevolutionary cliques and did many evil deeds violating the criminal law during the 10-year domestic turmoil have been tried according to law by the regional judicial departments. At present, some of these cases have been concluded.

According to the pertinent stipulations of the criminal law, (Hao Guangde) has been sentenced to 10 years imprisonment; (Li Fen), 13 years imprisonment, (Xu Mingyang), 15 years imprisonment; and (Zhang Lu), 12 years imprisonment.

Criminal (Hao Guangde) was a student of the Nei Monggol Teachers' College. Before he was arrested, he served as Standing Committee member of the Nei Monggol Regional Revolutionary Committee, vice chairman of the regional Political and Legal Commission, and secretary of the Hulun Buir League CPC Committee. During the 10-year domestic turmoil, criminal (Hao) framed and persecuted some principle leading cadres of the regional party, government, and military organizations -- through false accusations and distortions -- thus gravely damaging the unity and construction of the region and causing serious consequences and extremely bad influences. In 1974, during the movement of criticizing Lin Biao and Confucius, (Hao Guangde) once again advocated seizing power for the second time, thus again disturbing the Nei Monggol situation. When (Hao Guangde) served as vice chairman of the regional Political and Legal Commission, he had many party and state secrets, classified papers, and public security data. After being transferred to other posts, he privately retained these papers and data and then transferred them to other places, thus seriously revealing state secrets.

Criminal (Li Fen) was a responsible person at the Propaganda Department of the regional CPC Committee. Before he was arrested, he served as a Standing Committee member of the Nei Monggol Regional Revolutionary Committee and vice chairman of the Hulun Buir League Revolutionary Committee. In September 1967 when he worked in [words indistinct] he framed a large number of cadres as capitalist-roaders and splittists and also framed the Hulun Buir League CPC Committee as a clique which renegaded from the party and the country. In 1968, in order to get confessions, he tortured a number of people throughout the league, thus persecuting a large number of innocent cadres and people and causing extremely serious consequences.

Criminal (Xu Mingyang) was a cadre of Xilin Gol League. Before his arrest, he served as vice chairman of the Xilin Gol League Revolutionary Committee. In the summer of 1969, he created disturbances in collusion with others and stole many firearms and much ammunition from the Xilin Gol League Military Sub-district and the Armed Forces Departments of Abg Banner, Dong Ujimqin Banner, Xi Ujimqin Banner and Zhenglan Banner. As a result, a sanguinary incident took place, social order was seriously destroyed, and a tremendous economic loss was incurred. Criminal (Xu) also personally commanded and participated in ferreting out members of the Nei Monggol People's Revolutionary Party, and he framed and persecuted cadres and the masses.

Criminal (Zhang Lu), was a worker of [words indistinct]. Before he was arrested, he served as vice chairman of the Xilin Gol League Revolutionary Committee and was an accomplice in the (Xu Mingyang) case. In addition to actively colluding with (Xu Mingyang) in stealing firearms and ammunition, he personally participated in the framed-up case of the Nei Monggol People's Revolutionary Party and cruelly persecuted cadres and the masses, thus bringing about extremely serious consequences.

SHANXI'S LI LIGONG ATTENDS AFFORESTATION RALLY

SK190525 Taiyuan SHANXI RIBAO in Chinese 28 Jun 84 p 1

[Excerpts] On the afternoon of 27 June, at the beginning of the rainy season, Taiyuan City, the capital of the province, held a broadcast mobilization rally at Hubin Hall on rainy season afforestation.

Attending the rally were responsible comrades of the provincial CPC Committee, People's Congress, government, CPPCC Committee and Military District, and PLA units stationed in the province, including Li Ligong, Wang Senhao, Wang Tingdong, Ma Guishu, Wei Yunyu, Guo Yuhuai, Wang Dingnan, Yang Mingbao, and Li Zhenhua. Also attending were Dong Zhiyong, vice minister of forestry; Huang Shu, president of the Chinese Academy of Forestry Science; and experts, scholars, and engineering and technical personnel participating in the "meeting to appraise the plans for afforesting the Taihang Shan." Cadres of the provincial, prefectoral, and county organs; staff members, and workers of industrial and mining enterprises; and the people of schools, neighborhoods, and rural areas heard a relay of the broadcast.

At 1500, Vice Governor Guo Yuhuai opened the rally. Governor Wang Senhao gave a mobilization report.

Dong Zhiyong, vice minister of forestry, spoke at the rally by invitation. Also speaking were Li Zhenhua, deputy commander of the provincial Military District; Guo Changfu, vice chairman of the provincial Trade Union Council; and Zhang Hailiu, deputy secretary of the provincial CYL Committee.

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SHAANXI RIBAO REPORTS ON EMERGENCY FLOOD PLANS

HK180547 Xian SHAANXI RIBAO in Chinese 8 Jul 84 p 1

[Report: "Provincial CPC Committee and Government Hold Emergency Telephone Meeting on Preventing Floods"]

[Text] At an emergency telephone meeting yesterday, the provincial CPC Committee and government announced to the people of the province: Now the flood season has come. Leading comrades at all levels must take emergency action and immediately make preparations against flooding.

The meeting pointed out that since July, incessant torrential rains and rainstorms have been noted in many areas of our province. In Chenggu, Foping, Yangxian, Hanzhong, Nanzheng, and Lantian Counties, 80 to 100 mm of rain were recorded in a 24-hour period from 5 to 6 July. The Han Jiang and its tributaries are rapidly rising, and the maximum flow of the Han Jiang in the Ankang section was recorded as being 19,600 cubic meters per second. In both these torrential rains and the torrential rains in June, some areas suffered casualties and losses. According to the forecast issued by the provincial observatory, these torrential rains will stop for a short time. Then, on 8 and 9 July, another period of torrential rain will come. Most areas in the province will have moderate or heavy rainfall, some areas will have torrential rain, and isolated heavy torrential rains can be expected. Therefore, leading cadres at all levels are required to form leading groups and command groups for combating floods and to work out, perfect, and confirm several sets of flood prevention plans. It is necessary to have both ordinary flood prevention and heavy flood prevention plans; it is necessary to have a series of arrangements for flood prevention as well as detailed methods for retreat; and it is necessary to consider how to organize people to combat floods at night or during heavy rain. All plans should be made known to the public until every household and every person understands. Flood prevention projects should be speeded up and completed as early as possible. Flood prevention materials should be immediately replenished if they begin to run low. Flood prevention materials of low quality should be replaced in time. Flood prevention materials which have not been delivered should be transported at once. In the course of paying attention to urban flood prevention work, we should also make sure that flood prevention work in the rural areas and along rivers is proceeding well. Special people should be organized to check and inspect areas where landslides could possibly occur and lowland where waterlogging is quite possible. In this way, we will be able to safely tide over the floods.

Dong Jichang, secretary of the provincial CPC Committee, presided over the meeing, and Vice Governor Xu Shanlin made a speech.

BAOJI-CHENGDU RAILWAY LINE REOPENED TO TRAFFIC

OW190248 Beijing XINHUA in English 0234 GMT 19 Jul 84

[Text] Xian, July 19 (XINHUA) -- Service on the Baoji-Chengdu railway line in southwestern China resumed yesterday.

The line was suspended Tuesday because a section dozens of meters long was buried by a mountain slide caused by continuous rains. Railway workers rushed to the scene and cleared the site in 26 hours.

Baoji in Shaanxi Province is a hub on the Longhai (Lianyungang-Lanzhou) railway line, China's east-west artery, and Chengdu is the capital of Sichuan Province.

YOUDE PRESENTS GREEN PAPER ON ELECTED GOVERNMENT

HK181155 Hong Kong Domestic Service in English 1000 GMT 18 Jul 84

[Text] The governor, Sir Edward Youde, says the need for stability at a crucial time in Hong Kong's history dictates the gradual approach proposed in the government's Green Paper on further development of representative government. Presenting the Green Paper in the Legislative Council this afternoon, Sir Edward said now was not the time to introduce direct elections.

[Begin recording] [Linda Shore] Sir Edward acknowledged there had been suggestions that direct elections to Legco [Legislative Council], based on a universal franchise, should be introduced as soon as possible. He said direct elections were a standard feature of many democratic systems of government, but pointed out they had not always succeeded in guaranteeing stable, representative government.

[Governor Youde] If we were to introduce direct elections to the Legislative Council now we should run the risk of a swift introduction of adversarial politics and an element of instability at a crucial time. The time for direct elections may come. In due course, as the political and constitutional circumstances of Hong Kong evolve, and if popular support for the idea develops, further thought will be given to this possibility. But prudence and the overriding need for stability at a crucial time in Hong Kong's history dictates the gradual approach which is proposed.

[Linda Shore] Sir Edward also explained why a ministerial system under which Unofficials would have more responsibility by assuming executive roles was not being proposed at present.

[Governor Youde] As I stressed earlier, it is essential to preserve the stability and harmony of the community at this critical time in our history. The system of the Executive Council giving its advice collectively has worked well. The proposal set out in the Green Paper concerning the method of selection to the principal institutions of government themselves represent substantial change and must be absorbed before any changes to the structure of government itself are introduced. It is not therefore proposed to pursue the idea of a ministerial system at present. It may be considered at a later stage, after the new system of selection has been implemented and given time to settle down.

[Linda Shore] In conclusion, Sir Edward said the aim of the Green Paper was to take a further step to establishing a system which derived its authority from the Hong Kong community. The proposals were progressive but gradual, seeking to maintain the best features of the systems which served the territory well in the past. At the same time they recognized the political realities of Hong Kong.

[Governor Youde] In drawing up our proposals we have had regard to the special circumstances of Hong Kong and the need to maintain our good relationship with our mainland neighbor. We have also done our utmost, in framing these proposals, to ensure that there need be no conflict with the principle of continuity between the systems in force both before and after 1997. [end recording]

SOUTH CHINA MORNING POST REVIEWS GREEN PAPER

HK190435 Hong Kong SOUTH CHINA MORNING POST in English 19 Jul 84 p 14

["Cautious Approach to Political Reform" -- SOUTH CHINA MORNING POST headline; capitalized passages published in boldface]

[Text] The Green Paper argues that Hong Kong's present system, built on consultation and consensus, must not be lightly tossed aside.

It says there are very real advantages which have helped us enjoy sustained periods of economic growth and internal stability. The Green Paper, entitled, "The Further Development of Representative Government in Hong Kong," is the main plank in a step by step approach to political reform. It follows on naturally from the territory's first taste of direct elections to the Urban Council on a limited franchise. Then came elections to the district boards and more recently, plans to set up a new Regional Council in 1986 with a substantial elected element in the membership.

Although many favour direct elections to both the Executive and Legislative councils, the Green Paper proposes an electoral college system of indirect elections.

Over the next two months the public have the chance to express their views on the document, which is by no means conclusive.

The Green Paper, guaranteed to be one of the main talking points throughout the summer, introduces change cautiously with no major shocks to the present system. It favours a phased introduction of an elected element in both councils leading up to 1991. And even then both bodies will still contain some members appointed by the Governor of the day.

The main reforms surround the future "selection" of Unofficial members of the Legislative and Executive councils, plus the future role of the Governor. According to the wording of the Green Paper, its aim is to maintain "the well-established practice of government by consensus." And to allow for further development "if that should be the wish of the community."

After the two-month consultation period a White Paper will be put forward giving the Government's definitive intentions on further ways to develop the system. The following is a summary of the Green Paper's three main proposals:

LEGISLATIVE COUNCIL:

At present it is presided over by the Governor who appoints 29 Unofficial and 15 Official members with the approval of the Foreign Secretary. It also has three ex-officio members in the Chief Secretary, the Financial Secretary and the Attorney-General. Under the proposals, the Green Paper says no significant changes in the present functions of the Legislative Council are thought to be necessary. But the selection procedure will be "developed progressively" to provide a substantial intake of members elected indirectly onto the council. It proposes that an electoral college be formed made up of 430 members of the district boards, the Urban Council and the new Regional Council. Any registered elector who has lived in Hong Kong for at least 10 years would be eligible to stand. Next year six members would be elected by this method, gradually progressing to 12 by 1988. Another 12 members would be elected from the so-called functional constituencies made up of professional groups and industrial organisations. These would, in effect, be a series of mini colleges which could elect one or more representatives. For example a "college" made up of members of the Bar Association and the Law Society would elect lawyers to the Legislative council. And the main chambers of commerce and industry would be the obvious bodies to elect representatives of commerce and industry. Again the elections would be in two phases -- the first being next year and the second by 1988. These years have been proposed on the understanding that all Unofficials would hold office for a three-year term. Also because these are the years in which district board elections will take place and the largest proportion of the electoral college will be elected board members.

The only other change within the Legislative Council is the suggestion that there may be room for the use of "select committees." These would be based on the present informal system of Umelco working groups to examine specific policy issues and major items of legislation.

The Green Paper also suggests that more of the committees of the council may meet in public, but it makes no pledge that the "select committees" will open their doors as they do under the United Kingdom parliamentary system.

Meanwhile, the appointments system whereby the Governor hand-picks Unofficial members will continue at least until 1991. But the number of Unofficial appointments will be reduced progressively from the present 29 to 16 by 1988. The number of Official appointees will also be reduced from the present 18 to 10. After all the changes the total make-up of the council will number 50 members, three more than at present.

Not until the next review of the system, promised for 1989, does the Green Paper even consider the possibility of direct elections which it simply says "might also be considered."

EXECUTIVE COUNCIL:

The council is made up of four ex-officio members -- the Chief Secretary, the Financial Secretary, the Attorney-General and the Commander British Forces, who will remain in position. The governor, who presides over the council, appoints 12 members, two Official and 10 Unofficial. In order to introduce "an elected element" into the council it is proposed that by 1991 at least eight of the Unofficial members should be elected by their Unofficial peers on the Legislative Council. This, the Green Paper says, will achieve two objectives -- firstly it will be "building upwards" from the base of existing institutions. And secondly, it will establish a more direct relationship between the Legislative and Executive councils.

According to the Green Paper, it is important that membership of the Executive Council should embrace a full range of experience from all professional sectors of Hong Kong society. It is to safeguard this aim that the Governor will still have the power to appoint two members to the council.

These cautious steps to reform the Executive Council will be taken even more slowly than those to introduce a higher elected profile into the Legislative Council. Not until 1988 will the Legislative Council be called on to elect four members to the senior council. Another four would probably be in place by 1991, but there will be no change in the council's make-up next year when the first alterations are made to the Legislative Council. This is because it is thought newly-elected Legislative Council-lors should become familiar with their new environment before taking on the responsibility of electing members to the Executive Council.

The Green Paper also gives the Government a get out clause by saying the reform of the Legislative Council may well be dependent in 1991 on reforms that took place in the council three years earlier in 1989. Well-buried among the proposals is the idea that Hong Kong's administrators should be given full ministerial status.

The Green Paper makes the point that it has been suggested that Unofficials should play a bigger part by assuming some kind of executive role similar to ministerial functions performed by elected representatives in other countries. It goes on to say that there are no plans "at present" to explore this avenue for a number of reasons. One being that proposals for change are so substantial that they must be "absorbed" before any structural changes to the Government itself are proposed.

"Subsequent developments may be considered at a later stage, but the proposed new system of selection must be implemented and allowed to settle down first," it says.

THE GOVERNOR:

As forecast, the Governor will continue to be appointed by the Queen until 1997. However, if the system of indirect elections to the Legislative and Executive councils are accepted he will be stripped of his power to appoint all Unofficials to both councils.

The only radical proposal concerning his role is that he be replaced as head of the Legislative Council by a "presiding officer" elected among Unofficial members. He would take on a similar role as the Speaker in the British Parliament whose main task is to keep order and keep to standing orders. Such a change is proposed in two stages. At first the new figurehead would probably be appointed by the Governor in consultation with Unofficials and only later would he, or she, be elected by members once every three years.

It is thought whatever happens the Governor will continue to deliver his role as the Government's chief executive.

Once new proposals are implemented, the Green Paper says, the present powers of the Governor could then come up for review. For example a decision will have to be made on whether to remove his power to overrule the advice of the Executive Council -- a privilege rarely, if ever, exercised. The future method of selecting candidates for the governorship will also need to be reviewed. One suggestion is that he could be "chosen" by an electoral college made up of all Unofficial members of both councils.

The Green Paper concludes: "The implications of such changes in the Governor's powers and in his method of selection, for the government of Hong Kong, for Hong Kong's relationship with the United Kingdom and for the future generally and also the timing of any changes, would need to be carefully considered before any decisions could be reached."

JI PENGFEI VIEWS BRITISH CONTROL IN TRANSITION

HK190419 Hong Kong TA KUNG PAO in English 19 Jul 84 p 1

[Text] "We have stated on countless occasions before that HK will remain under British rule in the 13-year transition period and Britain will be responsible for the territory's prosperity and stability during this time.

"After recovery of sovereignty in 1997, Hong Kong will be ruled by Hong Kong people. The government of the special administrative region of Hong Kong will enjoy a high degree of autonomy. The Central Government will not interfere with Hong Kong's internal affairs in the post-1997 years, so why should it interfere in the years leading up to 1997?"

Coming from State Councillor Ji Pengfei, these remarks were made to a group from the Chinese General Chamber of Commerce of Hong Kong on July 17.

Headed by S. Z. Sun, Vice-President of the chamber, the 15-member group will return from Beijing on July 20.

After hearing a briefing on recent economic and financial developments and social conditions in Hong Kong, Ji, also head of the Hong Kong and Macao Affairs Office under the State Council, told his guests that giving support to Hong Kong's industry and commerce was a consistent policy of the Central People's Government. He hoped that business circles in Hong Kong would strengthen their ties and cooperation with the mainland.

Sources say the HK Chinese Chamber of Commerce group are in Beijing with a set of proposals and views on mainland-Hong Kong trade relations and Hong Kong's position in international trade.

In a reference to the group's meeting with Ji on the same day, S. Z. Sun said the "detailed and comprehensive" arrangements, which the central authorities have made for Hong Kong's future, surpassed his earlier expectation. "They certainly gave our confidence a tremendous boost," he said.

"Hong Kong has already entered the historic period of transition," Sun declared, and he believed that the vast majority of the local population would keep to their posts.

Earlier in Beijing, the group met officials of the Ministry of Foreign Trade and Economic Relations and the All-China Federation of Industry and Commerce, a mass organization of former industrialists and businessmen.

BANK OF CHINA SUPPORT FOR COASTAL CITIES REPORTED

HK190450 Hong Kong TA KUNG PAO in English 19 Jul 84 pp 1, 3

[Report by "Our Staff Writer:" "BOC Backs 14 Coastal Cities"]

[Text] A national conference of the Bank of China [BOC] is in session in Beijing to find ways to give strong support to the 14 coastal cities declared open to foreign investment since April.

Inaugurated on July 16, the conference is set to give financial backing to the technological transformation, setting up of development zones, and economic and technological cooperation with foreign countries envisaged for the 14 cities.

Extending from the northeastern province of Jilin to the Guangxi Zhuang Autonomous Region in South China, the 14 open coastal cities are: Dalian, Qinhuangdao, Tianjin, Yantai, Anyanggang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhangjiang and Beihai. They come after the four special economic zones and Hainan island as 'windows' for drawing in foreign capital and technological expertise.

Attended by managers of BOC's branch offices, the conference will last for one week.

Addressing the opening session, President Jin Deqin outlined a series of supportive measures the BOC proposes to adopt for the open coastal cities, SEZs and Hainan.

US\$400 Million

It is understood that the BOC will at least provide US\$400 million in foreign exchange loans at a discount rate mainly for developing the coastal cities before the end of 1985.

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The BOC branches in the coastal cities will be invested with greater decision-making power. Greater decision-making powers will be invested to give them greater freedom to extend foreign-exchange loans, make investments, and furnish credit guarantees.

The BOC president told the meeting that credit consultancies and investment syndicates formed with foreign banks would be set up to help the development zones and rejuvenate old enterprises.

The enlarged business scope of the BOC branch offices would include syndicated loans, discount, outward bill, and trust services, and investment credits, he said.

The quotas enjoyed by these BOC branches for loans in RMB and foreign exchange would be greatly increased, he continued, and they would also enjoy higher investment quotas.

Telex and computer services would be made available as soon as possible and arrangements were being made for BOC branch staff to receive training abroad, he added.

The conference is also working on the adjustments of the cities' credit plan for the latter half of 1984.

Good Start

In Beijing a responsible official of the State Council disclosed last week that the 14 coastal cities are off to a good start. Although unnamed, the official said the State Planning Commission, the State Economic Commission and the BOC have agreed on foreign exchange policies definitely in favour of developing the 14 cities. Special working groups have been set up, headed by either a vice-governor or a vice-mayor of the open port cities.

The 14 have been given greater autonomous powers which allow them to make decisions without interference from the central and provincial authorities in planning their economic relations with foreign countries, he said.

He pointed out, however, that the most important things was for the 14 cities to draw up their development plan in accordance with local conditions. These plans should place emphasis on lines of business which the open cities intend to concentrate, he stated.

Beihai City Reports 81 Agreements

From Beihai off the coast of Beibu Wan (Gulf of Tongking) comes news that the city signed 81 letters of intent and initial agreements with domestic provinces and municipalities, and with foreign and Hong Kong-Macao companies during the past month. The total pledged investment comes to RMB370 million.

Sources say half of the investment is in industrial projects and about 17 percent falls in tourism. Communications, fishery and cultural projects make up the rest.

Business circles from the U.S., France, W. Germany and Southeast Asian countries are currently negotiating projects in harbour construction, railways, air transport, ship-building, electronics, automobiles, food, textiles and building materials. Investment for some of the projects being discussed are in excess of US \$10 million.

Foreign investors have expressed keen interest in prawn-raising, mother-of-pearl cultures, refrigeration, and ocean transport.

The 14 tourist initial agreements and letters of intent signed so far involve more than US \$30 million.

Meanwhile, Beihai is going all out to enlist experts and professionals from across the country to help its ambitious development plans. A hostel recently completed for the honoured recruits is called Residence of the Virtuous and Wise.

CHINESE TOLD OF 'ONE COUNTRY, TWO SYSTEMS'

HK190440 Hong Kong SOUTH CHINA MORNING POST in English 19 Jul 84 p 13

[Text] The Chinese leadership has suggested that the people of China should prepare for the approach of a new situation which adopts the "one country, two systems" policy. This was disclosed by a consultant of China's Academy of Social Science, Mr Qian Junrui, at a seminar in Hangzhou on Sunday, according to a Chinese newspaper.

Mr Qian noted that Chinese leaders had pointed out three specific challenges the people must face in the coming five decades.

The first is that a new technological revolution is emerging in the world and that China should grasp this opportunity to greatly promote its national economic development.

The second is the high possibility that the world's economic centre may shift from the United States and Europe to the Asia-Pacific region which will greatly promote the Chinese economy.

The third challenge regards the implementation of a new socialist model embracing the "one country, two systems" concept, which will affect the re-unification of China.

On the "one country, two systems" challenge, Mr Qian said that after China's re-unification, the mainland will continue to adopt socialism while Hong Kong, Taiwan and Macao will retain capitalism.

And it is for the people of the whole nation to explore means for the two systems to co-exist and compete peacefully.

To cope with the coming situation, the Central Government has set up special economic zones and opened 14 designated cities to adopt the merits of capitalism and raise the material civilisation of China's socialism.

In the meantime, China will work for its spiritual civilisation, Mr Qian said.

He said the Central Government's Hong Kong policies are not tentative measures, but are in line with its development plan for the whole nation.

And it is China's target to quadruple its total industrial and agricultural production by the end of the century and to have its economic and technological development reaching the level of advanced countries in the middle of the 21st century, Mr Qian noted.

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20 July 1984

